

Global Financial Markets Monitor

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EPS and GDP Forecast

FIDUCIARY TRUST INTERNATIONAL

	Fiduciary Estimate		Thomson Financial Bottom-up	
	Operating EPS (\$)	YOY Change (%)	Operating EPS (\$)	YOY Change (%)
2004	67.00	21	67.14	21
2005E	76.00	13	76.23	14
2006E	84.00	11	85.90	13
52 Week Forward			86.36	
2004				
1 Qtr	15.87	26	15.87	26
2 Qtr	16.74	25	16.74	25
3 Qtr	16.59	15	16.59	15
4 Qtr	17.80	18	17.89	18
2005				
1 Qtr	17.95	13	17.95	13
2 Qtr	19.11	14	19.11	14
3 Qtr	18.86	14	18.86	14
4 QtrE	20.08	13	20.15	13
2006				
1 QtrE	20.25	13	20.16	12
2 QtrE	21.25	11	21.16	11
3 QtrE	21.00	11	21.52	14
4 QtrE	21.50	7	22.81	13

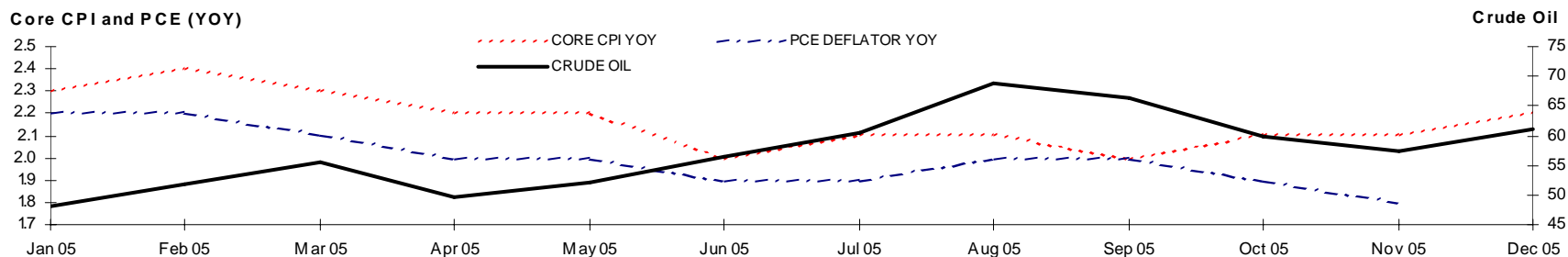
Source: Fiduciary Trust Company International, Thomson Financial, and S&P.
Thomson Financial estimates as of Jan 20, 2006.

Global and U.S. GDP Forecast				Global GDP Weights (%)
	2004	2005F	2006F	
Global (YOY%)				
World Output	5.1	4.4	4.0	
U.S.	4.4	3.6	2.7	21
Japan	2.7	2.4	2.1	7
Euro Area	2.0	1.3	1.1	15
China	9.5	9.8	8.8	13
India	7.3	7.1	6.2	6
Consumer Prices				
Advanced Economies	2.2	2.3	1.9	
Developing Economies	6.3	6.0	5.5	
Oil Price (WTI)	\$43/bbl	\$57/bbl	\$62/bbl	
U.S. (4Q to 4Q %)				
Real GDP	4.0	3.3	2.5	
Nominal GDP	6.5	6.1	5.3	
Core PCE Deflator	1.8	1.9	2.0	
Wage Income	7.2	5.6	5.0	
Economic Profits	13.0	13.0	9.0	
Real PCEs	3.5	3.0	2.5	

Source: Fiduciary Trust Company International and ITG.

Note: Global GDP weights from IMF based on purchasing power parity.
Latest revision: 01/19/06.

Core U.S. Inflation and Crude Oil



Source: Fiduciary Trust Company International and Bloomberg.

Rest-Of-World Profits

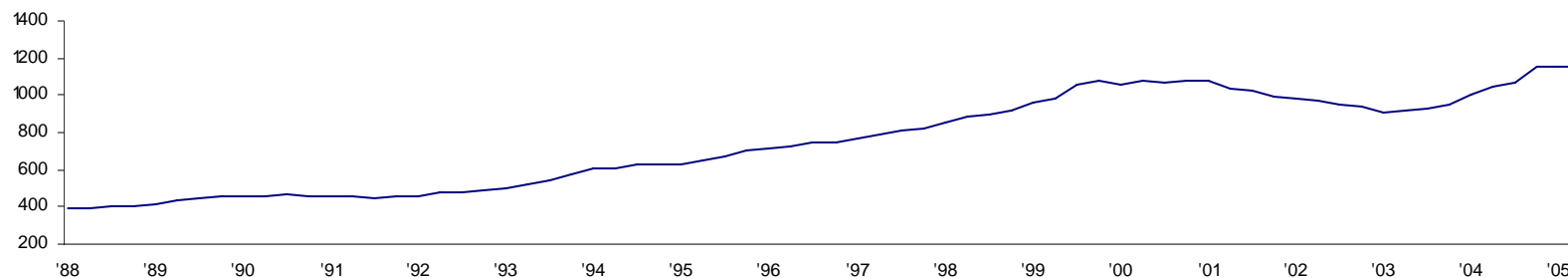
	Total Profits	Profits Earned In The U.S. (YOY% Change)	Profits Earned Abroad	Profits Earned Abroad (% of Total)
1999	6.2	3.0	20.3	20.7
2000	-3.9	-8.8	14.5	24.8
2001	-6.2	5.0	-9.8	23.8
2002	15.5	16.6	11.9	23.1
2003	16.4	13.8	25.1	24.8
2004	12.6	9.8	21.0	26.7
1Q2005	12.3	14.1	7.0	24.3
2Q2005	16.0	18.7	8.3	24.4
3Q2005	16.5	20.0	7.4	25.5

* NIPA: Economic Profits

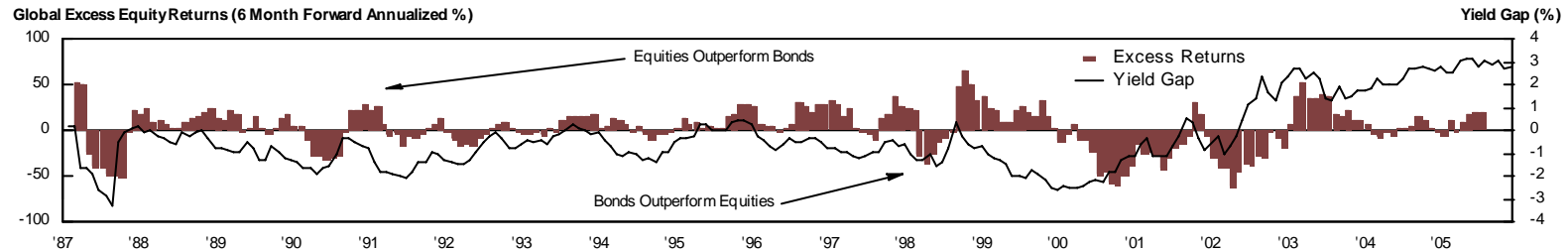
Source: ITG/Hoenig.

U.S. Corporations' Domestic and Foreign Investment

Billions of \$s. SAAR, 4Q MA

Source: Fiduciary Trust Company International and ITG/Hoenig.
Data as of 2Q'05.

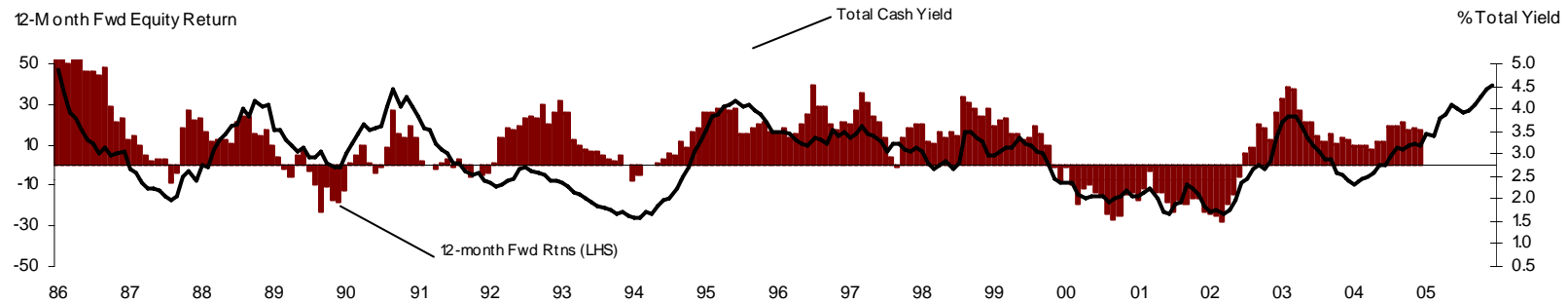
Global ex-Japan Earnings Yield Gap and Forward Excess Equity Return



Source: Fiduciary Trust Company International, Datastream and FactSet

Note: Yield gap is the difference between the expected global EPS yield and the market cap weighted average of global sovereign debt yield ex-Japan.

Global Total Cash Flow Yield and 12-month Forward Equity Returns

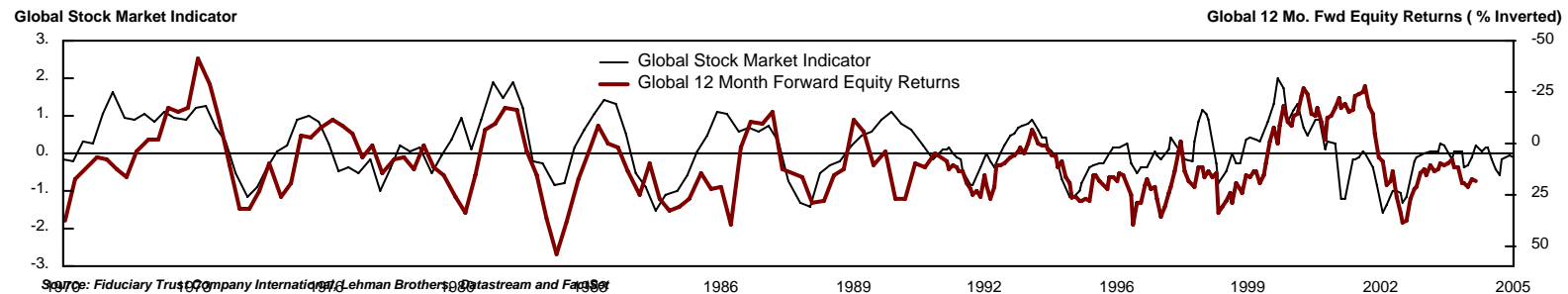


Source: Lehman Brothers

Note: Composed of dividend yield, 12-month trailing net buy-back yield, and 12-month trailing cash financed M & A yield.

Yield has a 0.88% correlation with 12-month forward equity returns.

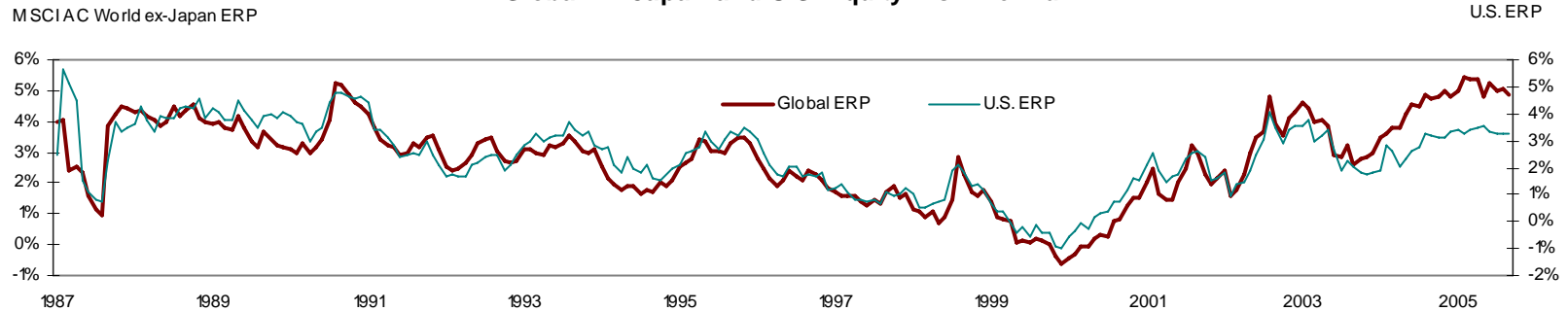
Global Stock Market Indicator and 12-Month Forward Equity Returns



Source: Fiduciary Trust Company International, Lehman Brothers, Datastream and FactSet

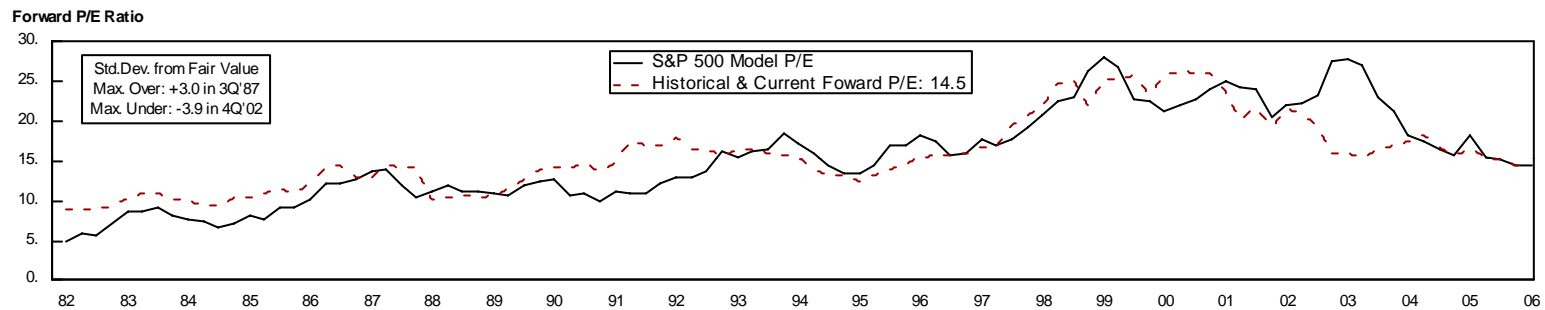
Note: Indicator is composed of four flow-based series: the 3-month MA of global purchases of equity mutual funds, the 3-month MA of cross-border equity flows, the 12-month MA of net equity issuance and the level of portfolio liquidity. We calculate an equal weighted average z-score, a measure of the difference in standard deviation of a sample from the mean, for each series.

Global Ex-Japan and U.S. Equity Risk Premium



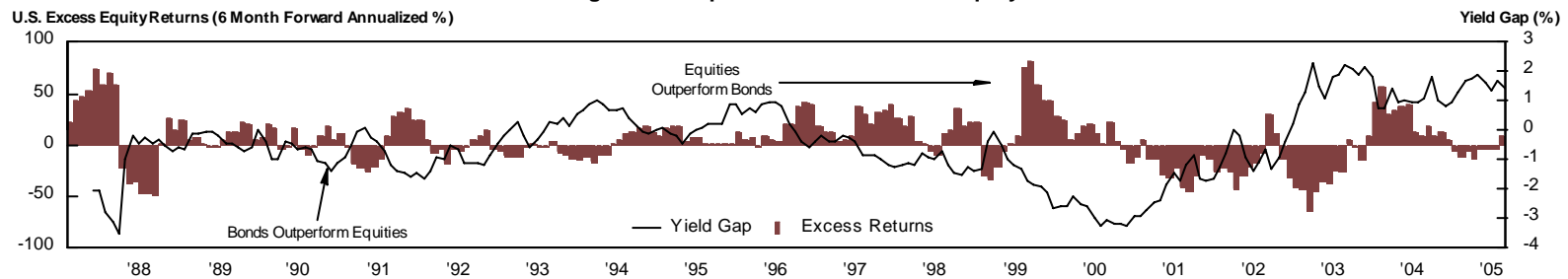
Source: Fiduciary Trust Company International, Lehman Brothers, and Bloomberg.

S&P 500 Model and Historical P/E



Source: Fiduciary Trust Company International and FactSet

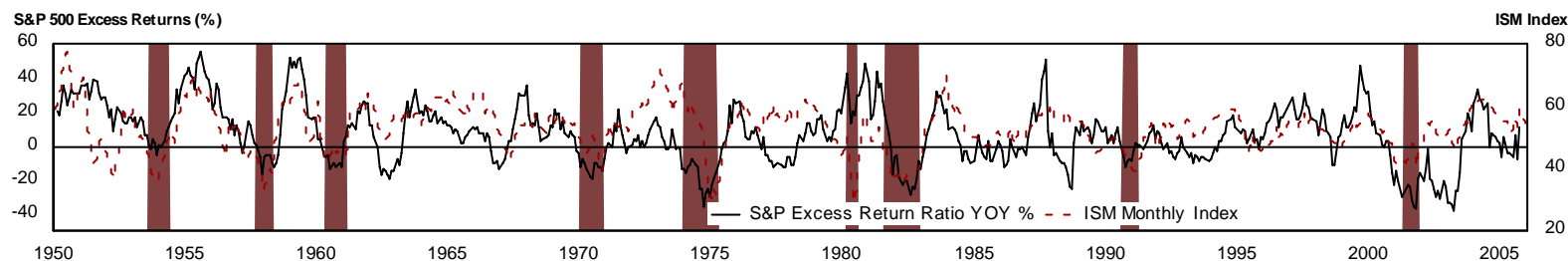
U.S. Earnings Yield Gap and Forward Excess Equity Return



Source: Fiduciary Trust Company International and FactSet

Note: Yield gap is the difference between the expected S&P 500 EPS yield and the 10-year swap rate.

S&P 500 Excess Return Ratio and ISM



Source: Fiduciary Trust Company International, Ibbotson, Bloomberg and FactSet

Note: The excess returns are the ratio of S&P 500 to Ibbotson Long Government total returns.

Data as of 10/31/05.

Real Bond Yield and Forward One-Year Asset Class Returns, 1950-2005

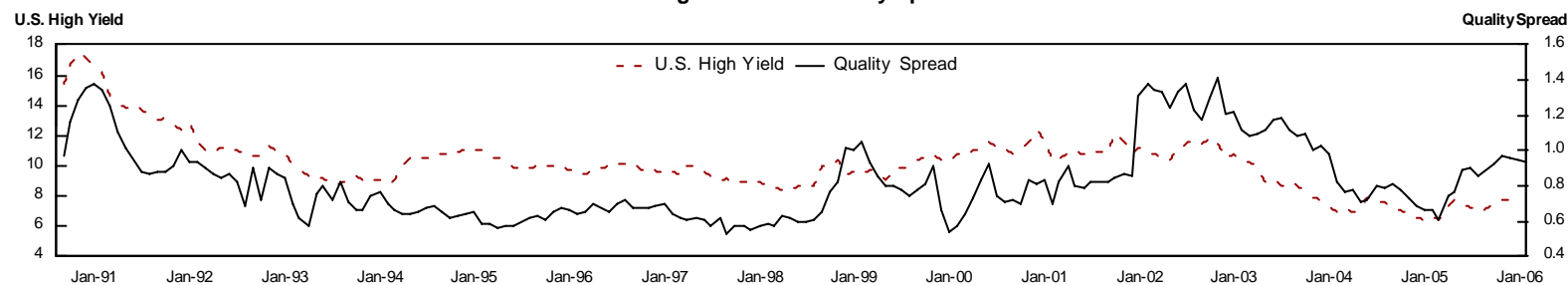
Real Yield (%)	Equity Return (%)	Bond Return (%)	Cash Return (%)
Under 3	14.9	5.0	3.0
3 to 4	13.1	8.6	4.3
4 to 5	17.9	13.4	7.0
5 to 6	4.1	5.4	7.2
Over 6	8.9	3.0	7.7

Source: Fiduciary Trust Company International and Ibbotson Associates.

Note: Stock returns are S&P 500; bond returns are Ibbotson long-term government. Cash returns assume one-year Treasury held to maturity. Real yield based on headline CPI prior to 1963 and core CPI post.

Data as of 12/31/2005.

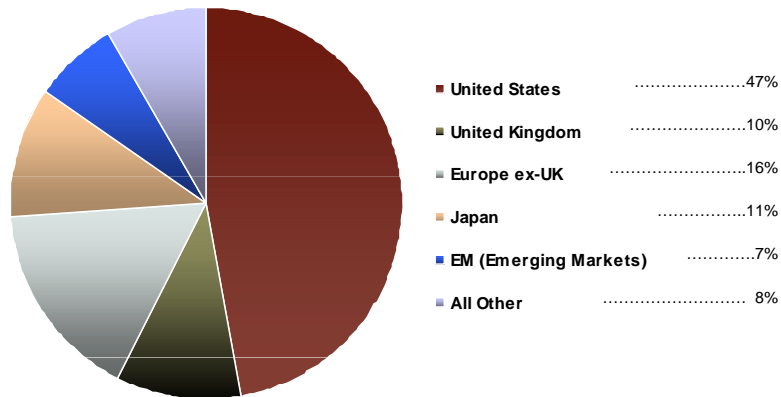
U.S. High Yield and Quality Spread



Source: Fiduciary Trust Company International, FactSet, ITG and Bloomberg.

Data as of 10/31/05.

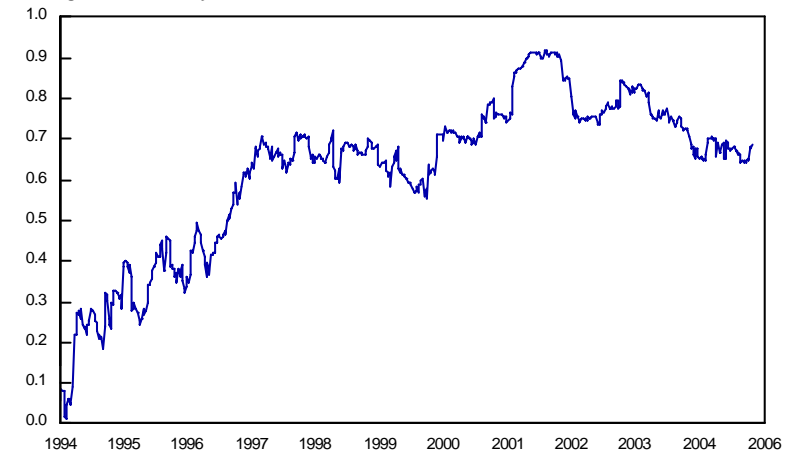
MSCI WORLD GEOGRAPHIC WEIGHTS



Source: Fiduciary Trust Company International and FactSet.
Note: May not add to 100% due to rounding.

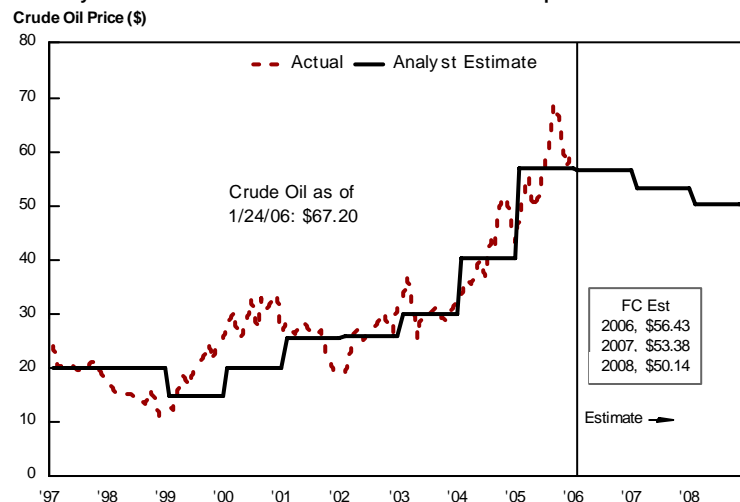
Correlation: U.S. & Non-U.S. Equity Returns

Trailing One-Year Weekly Correlation



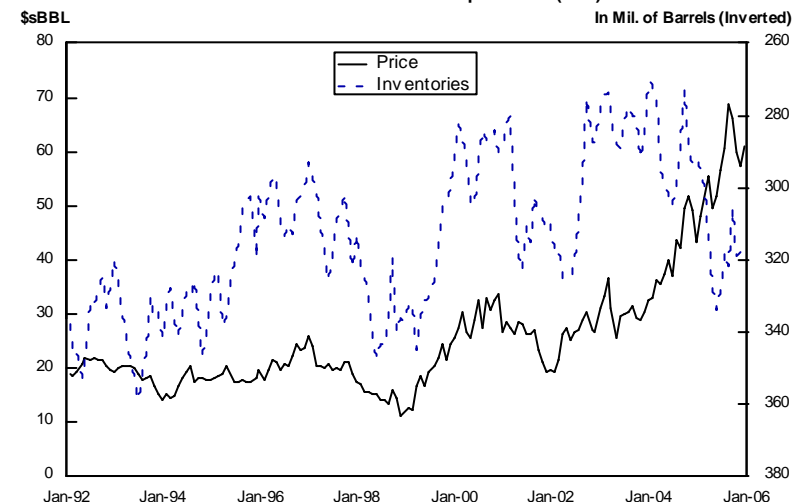
Source: Fiduciary Trust Company International and FactSet
Note: Returns are local currency for all markets.

Analysts' Consensus Crude Oil Price Forecast Versus Spot WTI Crude Oil Price



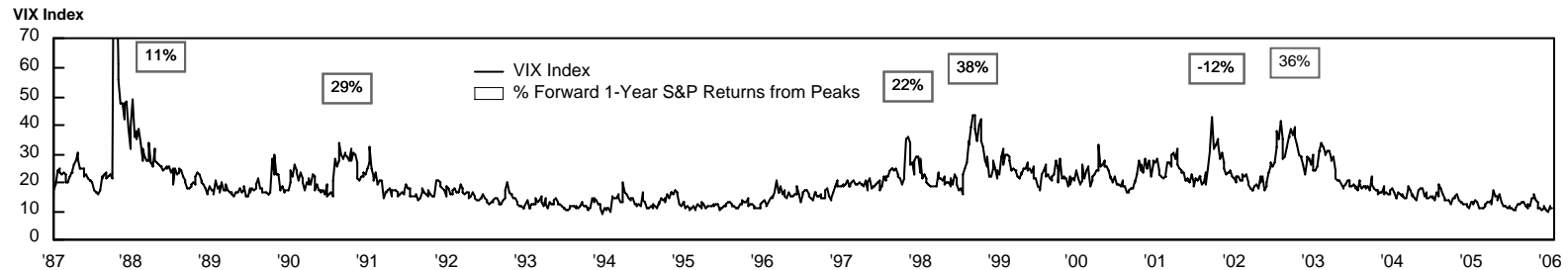
Source: Fiduciary Trust Company International and FactSet

Crude Oil: Inventories vs. Spot Price (WTI)



Source: Fiduciary Trust Company International, FactSet, ITG/Hoenig and Bloomberg

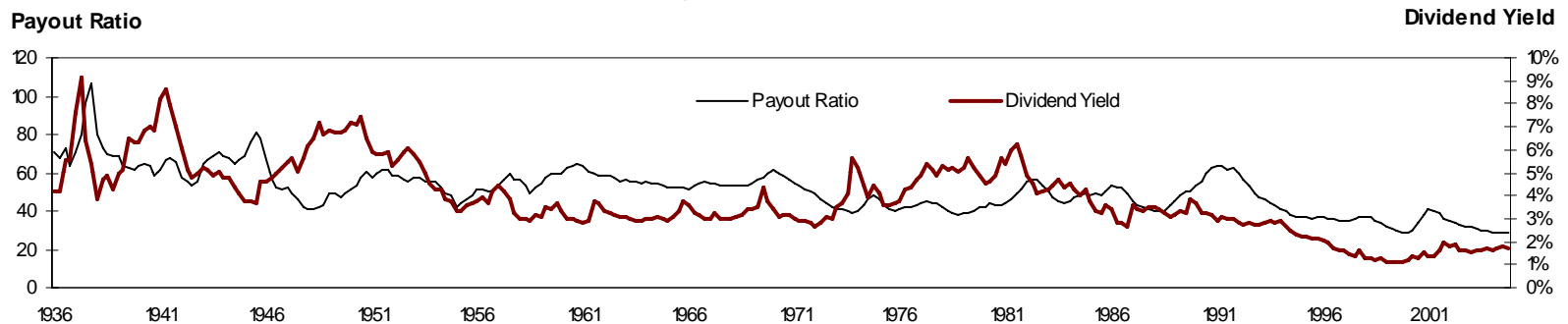
Stock Market Volatility and Forward One Year S&P 500 Returns



Source: Fiduciary Trust Company International and FactSet

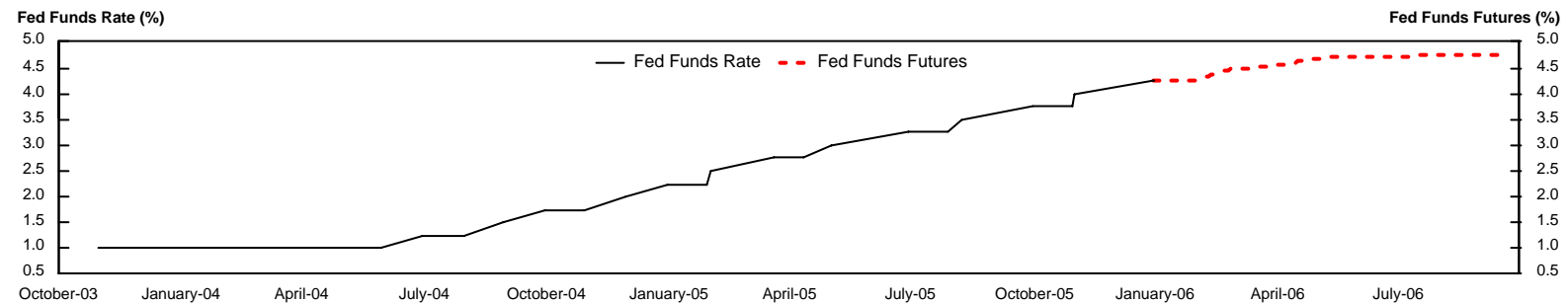
Note: VIX 1987 peak was 150.19; chart scale capped at 70. Last VIX peak was 49.48 on 10/9/02 with S&P at 777.

S&P 500 Payout Ratio and Dividend Yield



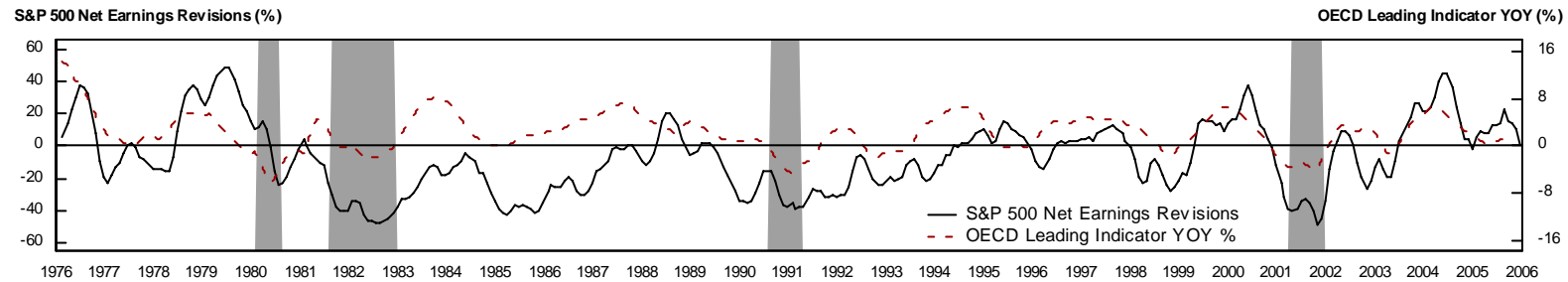
Source: ISI Group

Fed Funds Rate and Fed Funds Futures



Source: Fiduciary Trust Company International, FactSet and Bloomberg

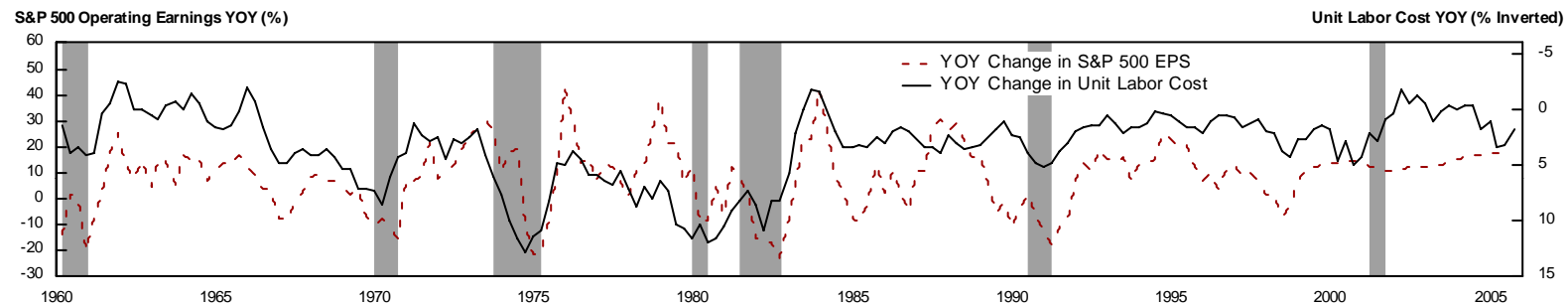
S&P 500 Net EPS Revisions and OECD Leading Indicator



Source: Fiduciary Trust Company International, Bloomberg and FactSet

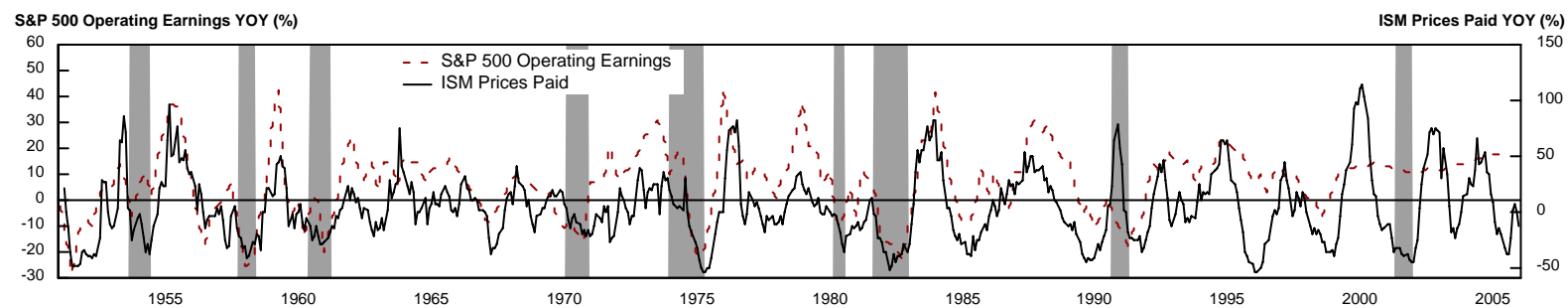
Note: Net EPS revisions are (3MMA) of the number of higher less lower FY1 estimate changes of the S&P 500 divided by the total.

S&P 500 EPS and Unit Labor Cost Momentum

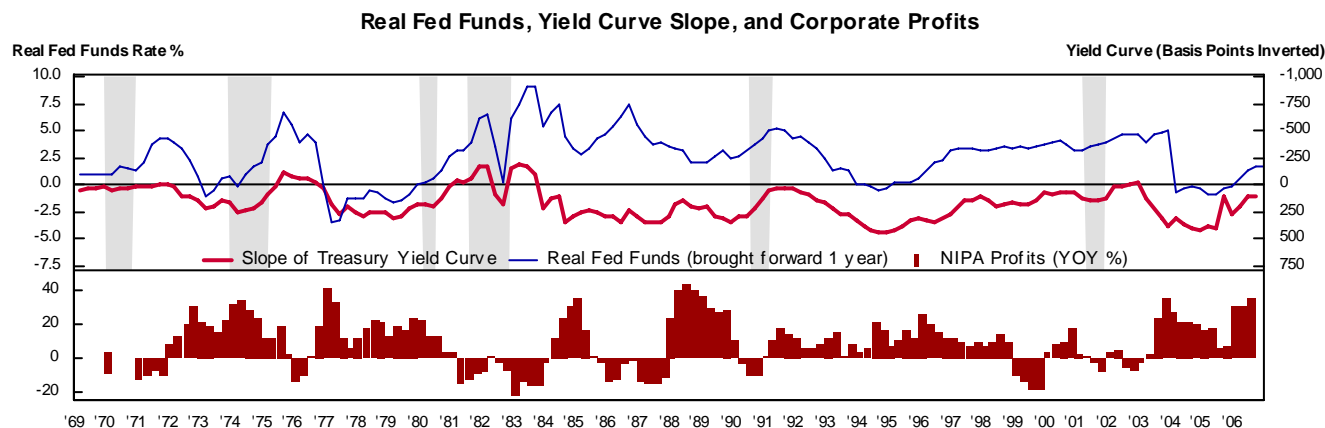


Source: Fiduciary Trust Company International, Bloomberg and FactSet

S&P 500 EPS and ISM Prices Paid Momentum



Source: Fiduciary Trust Company International, Bloomberg and FactSet



Source: Fiduciary Trust Company International, Bloomberg and FactSet

Note: Real Fed Funds is nominal less core PCE YOY%. Yield curve is spread between 3-month Treasury bill and 30-year Treasury bond.

Data as of 3Q05.

Lag of Fed Easings to Tightenings, 1959 - 2001

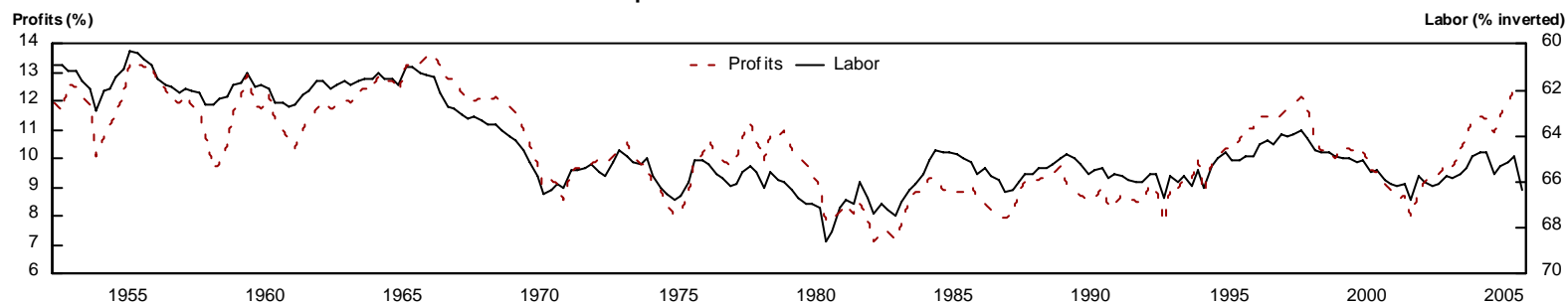
Tightening Ends	Easing Begins	No. of Months Lag
Oct-59	Jun-60	8
Nov-66	Apr-67	5
Jul-74	Nov-74	4
May-81	Oct-81	5
Feb-89	Jul-89	5
Feb-95	Jul-95	5
May-00	Jan-01	8
Average		5.7
Median		5.0

Note: An interpretation of the Discount and Federal Funds rates is used prior to the Alan Greenspan era; the Federal Funds is used since.

Excludes the 1969 mini-recession and the credit control recession in 1980.

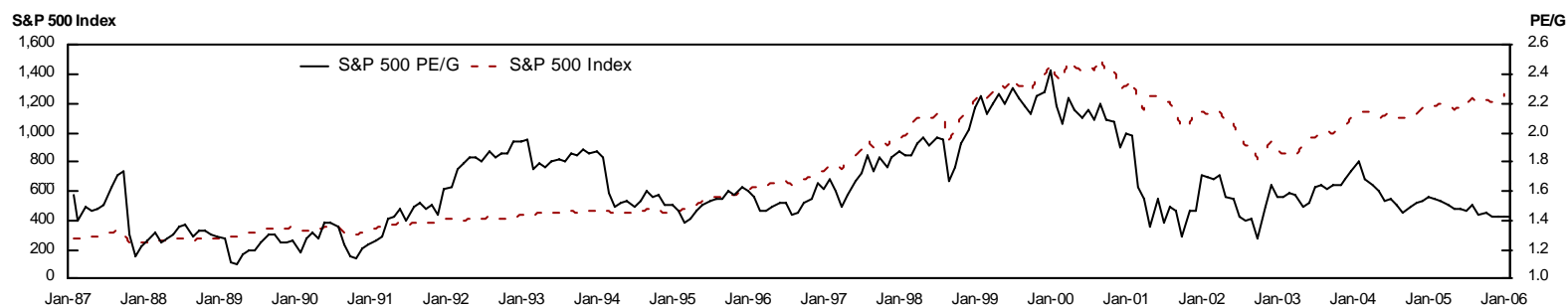
Source: Bloomberg

Labor & Corporate Profits Shares of National Income



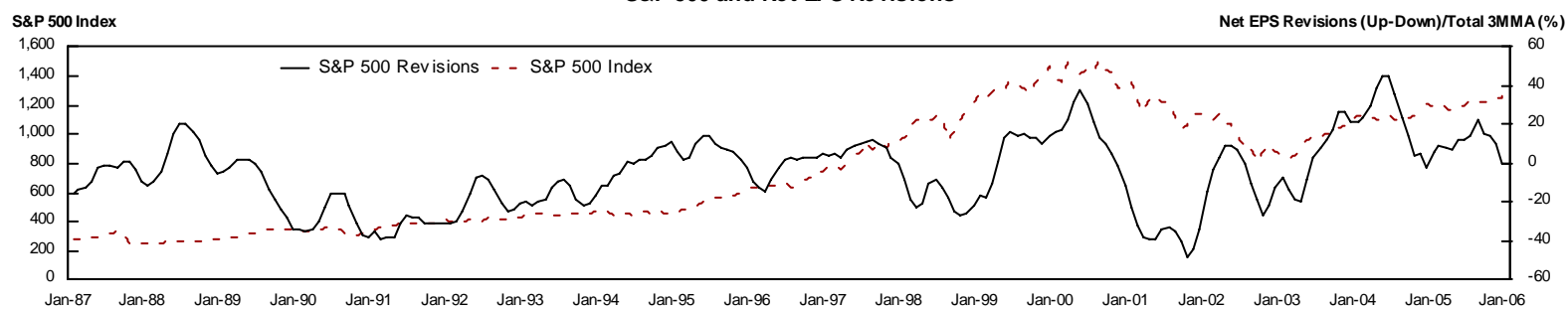
Source: Fiduciary Trust Company International, FRB and FactSet

S&P 500 and PE/G



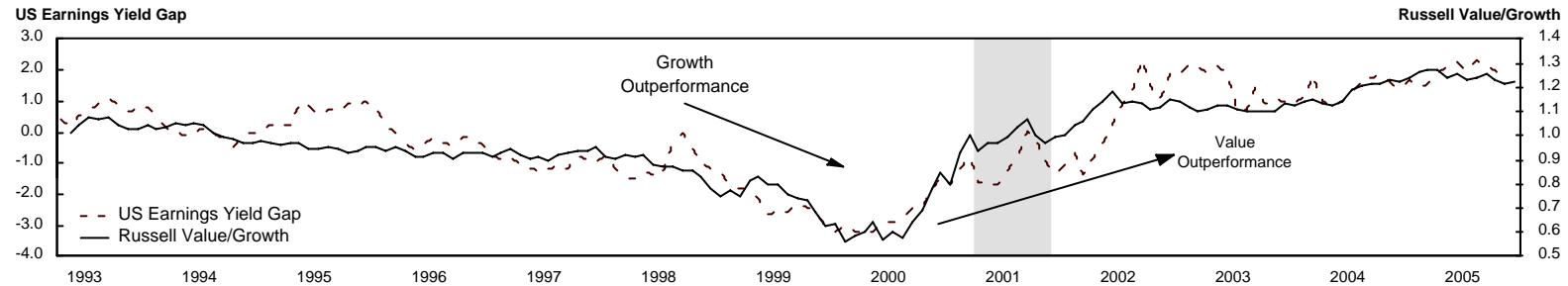
Source: Fiduciary Trust Company International, Factset and Bloomberg.

S&P 500 and Net EPS Revisions



Source: Fiduciary Trust Company International, FactSet and Bloomberg.

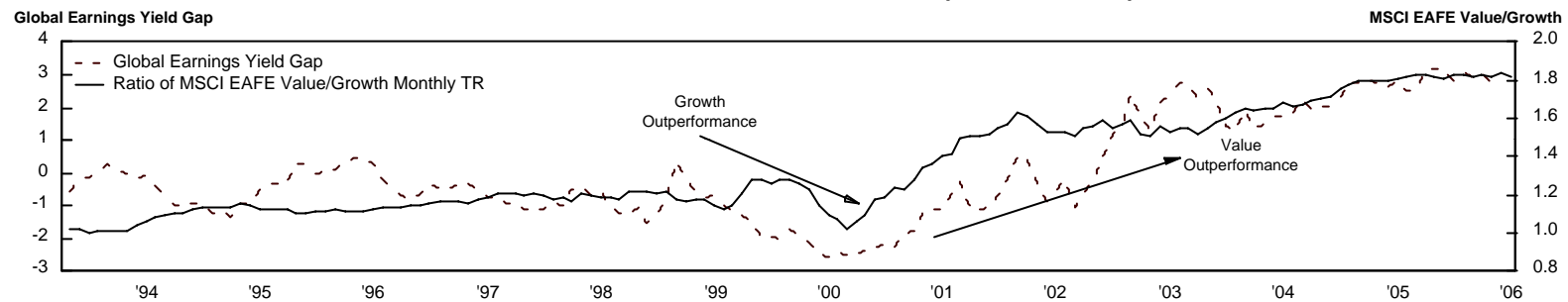
Russell Value/Growth Ratio and U.S. EPS Yield Gap



Source: Fiduciary Trust Company International and FactSet

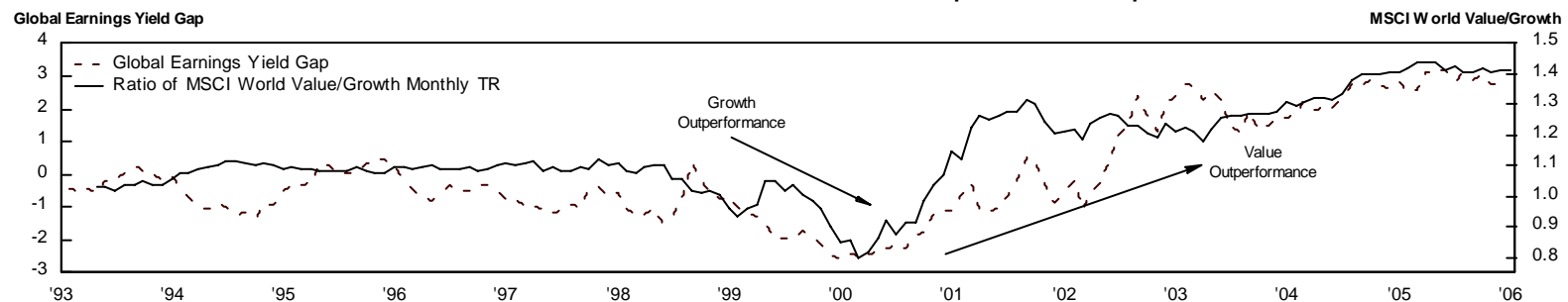
Note: Yield gap is the difference between the expected S&P 500 EPS yield and the 10-year swap rate.

MSCI EAFE Value/Growth Ratio and Global ex-Japan EPS Yield Gap



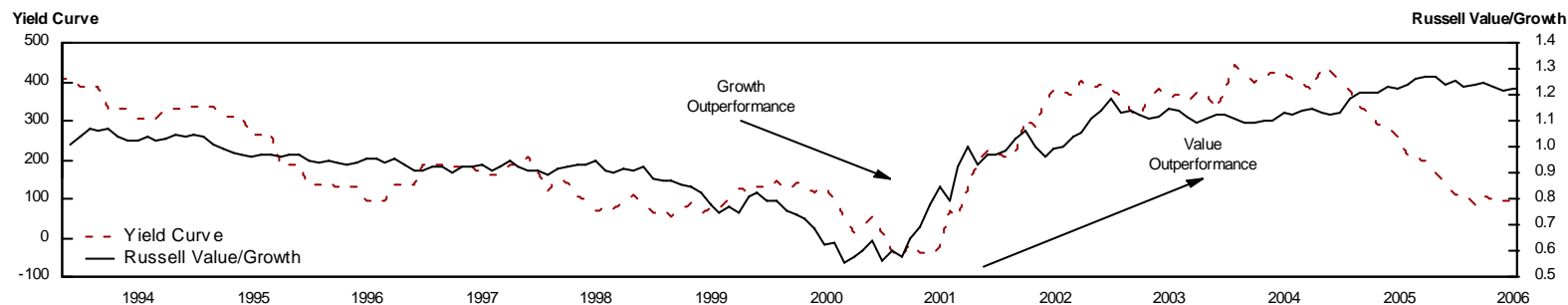
Source: Fiduciary Trust Company International, Lehman Brothers, Inc. and FactSet

MSCI World Value/Growth Ratio and Global ex-Japan EPS Yield Gap



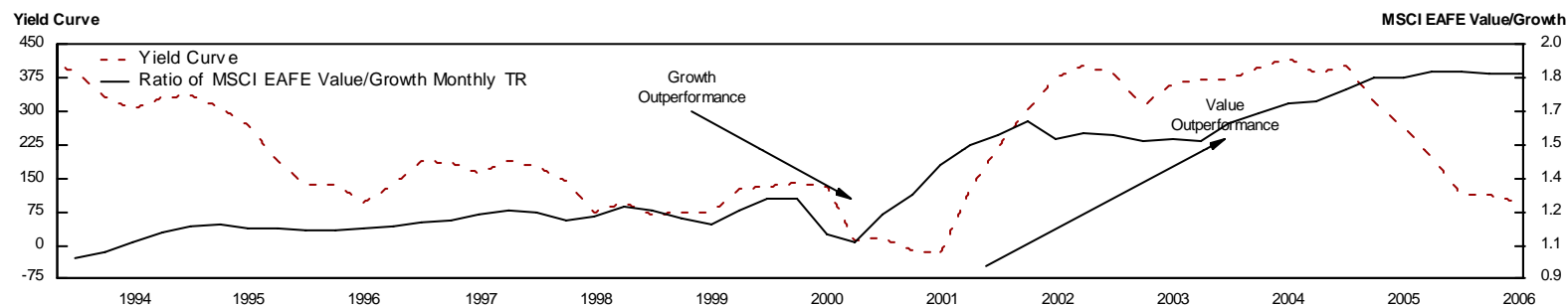
Source: Fiduciary Trust Company International, Lehman Brothers, Inc. and FactSet

Russell Value/Growth Ratio and U.S. Yield Curve



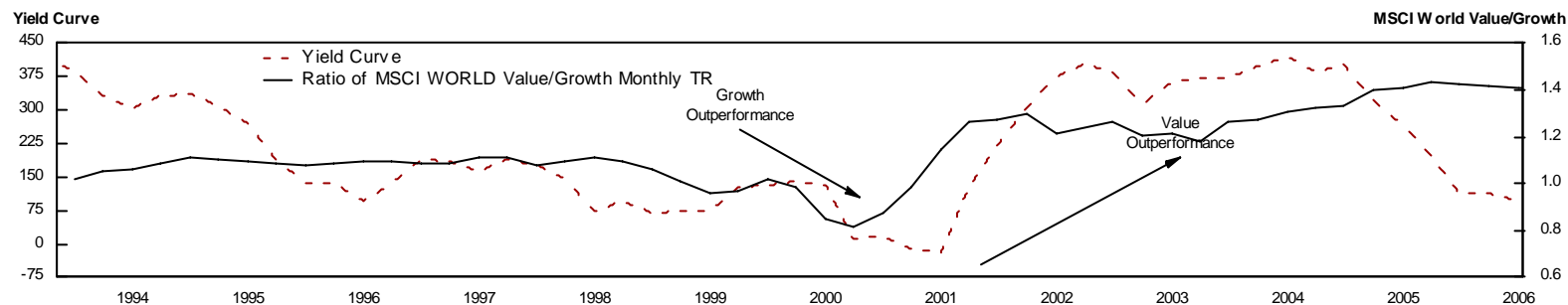
Source: Fiduciary Trust Company International, FactSet and Bloomberg

MSCI EAFE Value/Growth Ratio and U.S. Yield Curve



Source: Fiduciary Trust Company International and FactSet

MSCI World Value/Growth Ratio and U.S. Yield Curve



Source: Fiduciary Trust Company International and FactSet

Citi EMI EPAC, S&P Super Composite and Russell 1000 Growth, Sector, and Factor Characteristics

Sector	Citi EMI EPAC	S&P SmallCap 600	S&P MidCap400	S&P 500	Russell 1000 Growth
Consumer Discretionary	20%	16%	17%	11%	15%
Consumer Staples	6%	4%	3%	10%	13%
Energy	3%	8%	10%	9%	3%
Financials	21%	14%	19%	21%	11%
Health care	5%	12%	11%	13%	18%
Industrials	22%	19%	13%	11%	15%
Information Technology	8%	16%	16%	16%	22%
Materials	11%	6%	4%	3%	3%
Telecommunications	1%	0%	0%	3%	1%
Utilities	3%	4%	7%	3%	1%
Foreign Sales % - Annual	46%	18%	23%	35%	37%
St. Dev. Month TR (3yrs)	7.29	8.24	7.18	5.44	5.63
Effective Tax Rate - QTR -LTM	26.22	30%	27%	29%	29%
After Tax Profit Margin - QTR	8.55	7.89	0.09	12.58	12.89
Return on Equity - QTR -LTM	11.98	18.39	0.22	21.39	24.17
Dividend Yield - MONTH	2.20	0.90	1.12	1.80	1.27
Payout Ratio - QTR - LTM	0.00	11.82	12.17	10.53	7.51
Price/Earnings -NTM	13.4%	16.7%	25.4%	18.1%	20.8%
IBES LTG	0.12%	0.16%	0.15%	0.12%	13.97%
PE/G	465.0%	161.88%	198.25%	161.66%	159.18%
Market Cap as a % of Total A&P Super Composite	33%	4%	9%	87%	62%

Source: Fiduciary Trust Company International, FactSet and Thomson Financial

Note: Citi EMI EPAC is \$2B USD and below market cap. All computations are bottom-up. Earnings stability is the mean absolute percentage deviation of the actual reported earnings from the five-year historical EPS growth trend. Earnings predictability is the standard deviation of the current year's consensus estimates of EPS over the mean estimate, the higher the number, the less stable or predictable the earnings. The effective tax rate is total income taxes/annual pre-tax income. Price/Earnings Ratio is forward-12-month consensus estimates. Thomson Financial LTG EPS growth is forward five years. PE/G is forward. Data as of 01/13/06.

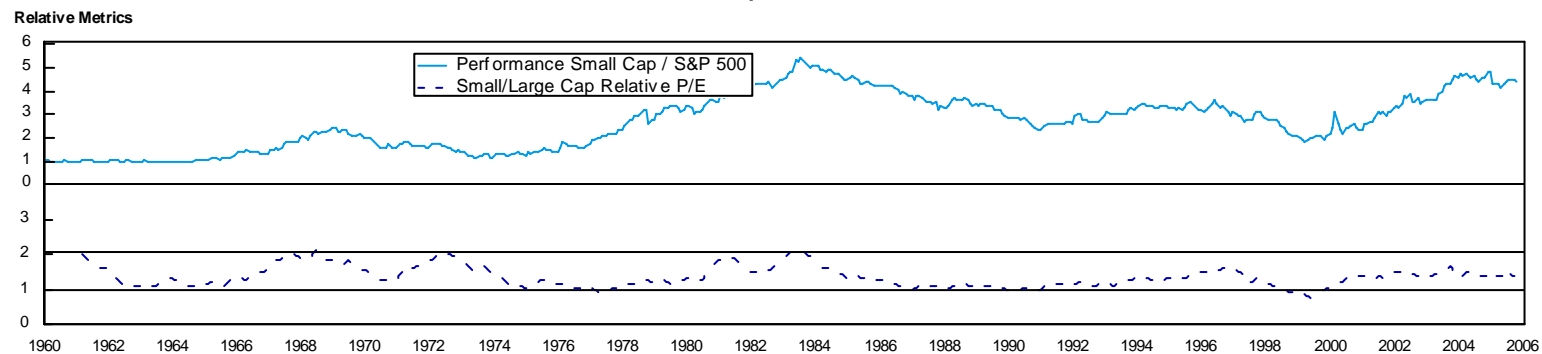
S&P 500 Sector and Factor Characteristics by Quintile

Sector	Top cap Quintile	Quintile II	Quintile III	Quintile IV	Bottom Cap Quintile
Consumer Discretionary	8%	15%	20%	19%	20%
Consumer Staples	11%	8%	9%	10%	4%
Energy	11%	8%	11%	1%	1%
Financials	21%	23%	18%	20%	5%
Health care	14%	15%	4%	13%	14%
Industrials	11%	11%	8%	15%	10%
Information Technology	18%	6%	13%	15%	22%
Materials	1%	6%	6%	3%	16%
Telecommunications	4%	1%	1%	0%	2%
Utilities	1%	7%	10%	6%	6%
Foreign Sales % - Annual	39%	26%	27%	26%	29%
St. Dev. Month TR (3yrs)	5.06	6.0	6.18	7.15	8.89
Effective Tax Rate - QTR -LTM	29%	30%	29%	31%	0%
After Tax Profit Margin - QTR	14%	11%	11%	8%	5%
Return on Equity - QTR -LTM	22%	18%	20%	14%	-23%
Dividend Yield - MONTH	1.97	1.44	1.71	1.49	1.26
Payout Ratio - QTR - LTM	7.88	15.66	17.77	8.97	7.82
Price/Earnings -NTM	17.0%	20.0%	19.0%	21.7%	22.3%
IBES LTG	12%	14%	13%	12%	12%
PE/G	1.6%	1.6%	1.8%	1.8%	2.0%
Market Cap as a % of Total	64%	17%	10%	6%	3%

Source: Fiduciary Trust Company International, FactSet and Thomson Financial

Note: All computations are bottom-up S&P 500 data. See Note for Characteristics By Equity Index above. Data as of 01/13/06.

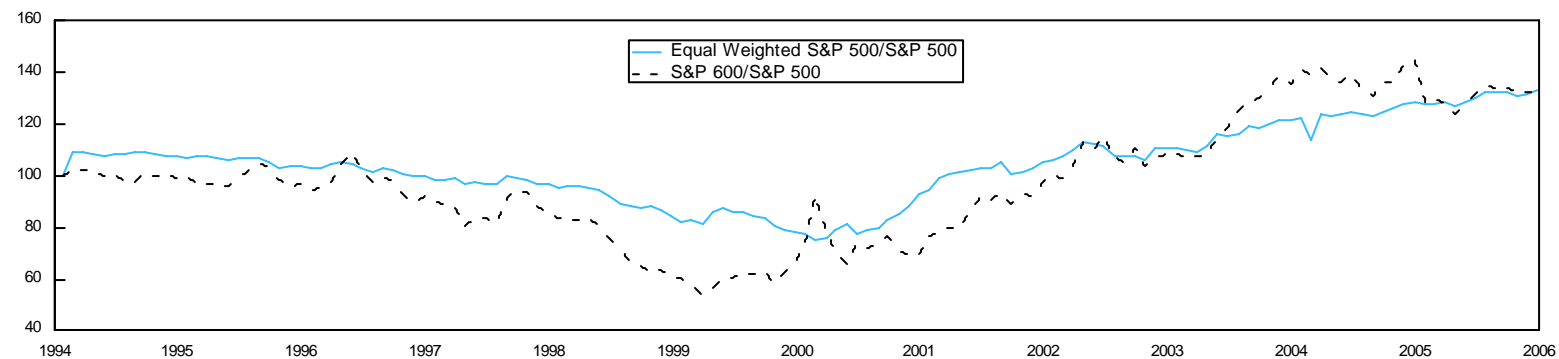
Relative Small Caps Return and Valuation



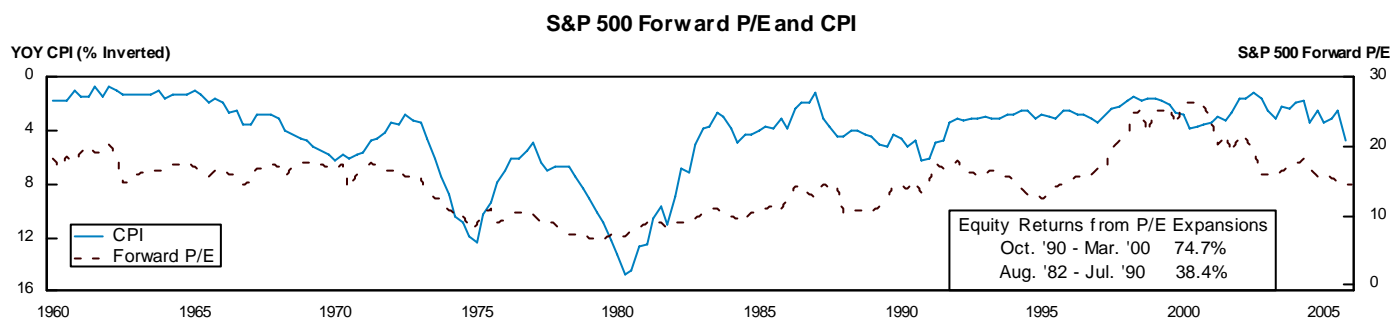
Source: Fiduciary Trust Company International, Ibbotson, T. Rowe Price and FactSet

Note: Data are T. Rowe Price New Horizons Fund relative P/E prior to 6/02, S&P 600/S&P 500 relative P/E post.

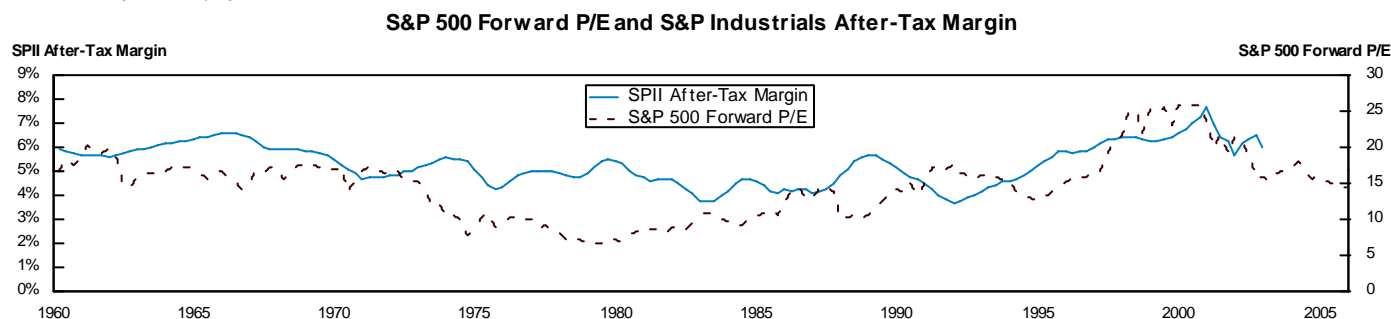
Ratio of Equal Weighted S&P 500 and S&P 600 to S&P 500



Source: Fiduciary Trust Company International, and FactSet



Source: Fiduciary Trust Company International and FactSet



Source: Fiduciary Trust Company International, Factset and S&P.

**Historical and Current S&P 500 P/E Ratios,
Profitability, Inflation, Bond Yields, and Tax Rates**

Item	Mean Values Since 1960	Mean Values Since 1985	Current Values
Forward Operating P/E	13.9	15.5	15.6
Trailing Reported P/E	16.9	21.1	22.0
After-Tax Margin	5.3%	5.4%	6.7%
Core CPI	4.4%	3.4%	1.6%
10-Year Treasury Yield	7.2%	7.1%	4.2%
Top Personal Tax Rate	58%	38%	38%

Source: Fiduciary Trust Company International, Thomson Financials, Bloomberg and S&P.

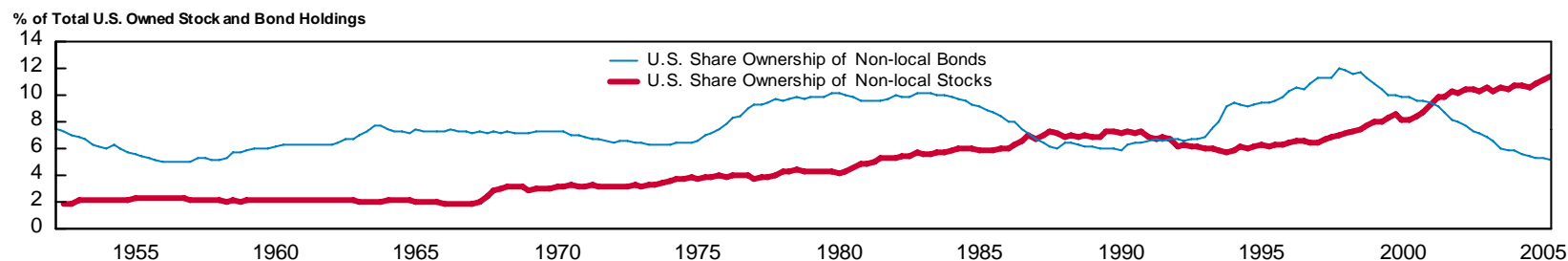
Equities: U.S. Household Demand and Ownership

Equities: U.S. Household Demand and Ownership	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Household Demand (Billion \$)	-14	59	21	-110	-53	-16	-85	-115	-21	-380	-43	-8	67	-69
S&P 500 Total Return (%)	30.5%	7.6%	10.1%	1.3%	37.6%	23.0%	33.4%	28.6%	21.0%	-9.1%	-11.9%	-22.1%	28.7%	10.9%
% Households Owning Equities	n/a	37	n/a	n/a	40	n/a	n/a	49	n/a	n/a	52	n/a	n/a	n/a
% Equities Owned By Top 10% By Wealth	n/a	81	n/a	n/a	84	n/a	n/a	61.3	n/a	n/a	65.4	n/a	n/a	n/a

Source: Fiduciary Trust Company International, FRB, and S&P

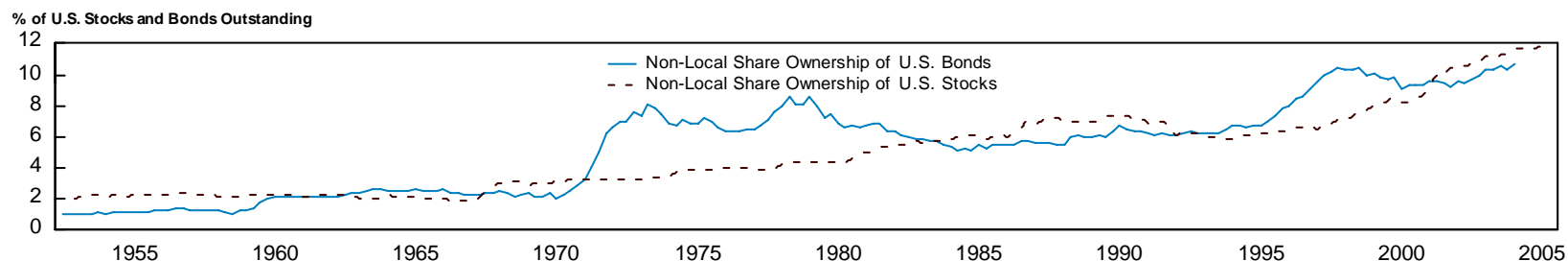
Note: Household demand computed as the sum of direct acquisition of equities and acquisition of equities by mutual funds attributable to households.

U.S. Ownership of Non-U.S. Stocks and Bonds As Share of U.S. Stock and Bond Market Value



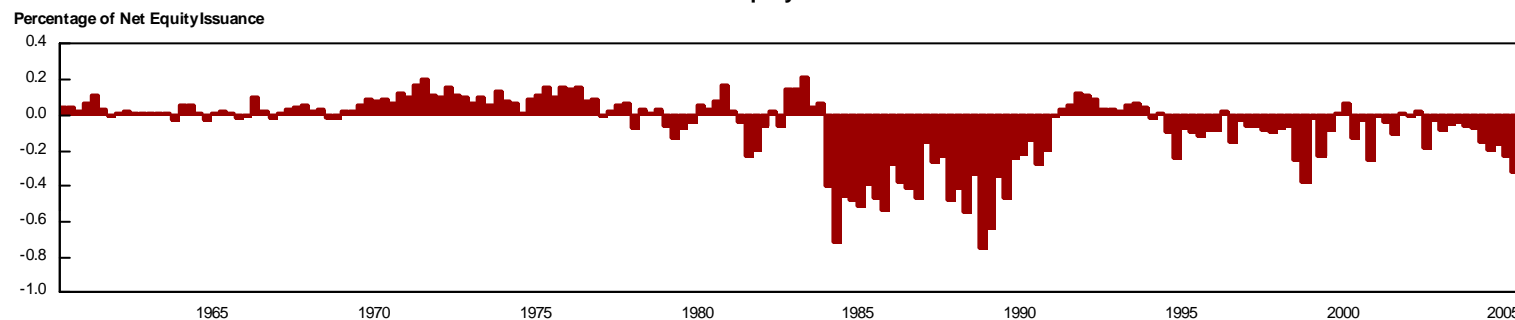
Source: Fiduciary Trust Company International, ITG and FactSet

Non-U.S. Ownership of U.S. Stocks and Bonds As Share of U.S. Stock and Bond Market Value

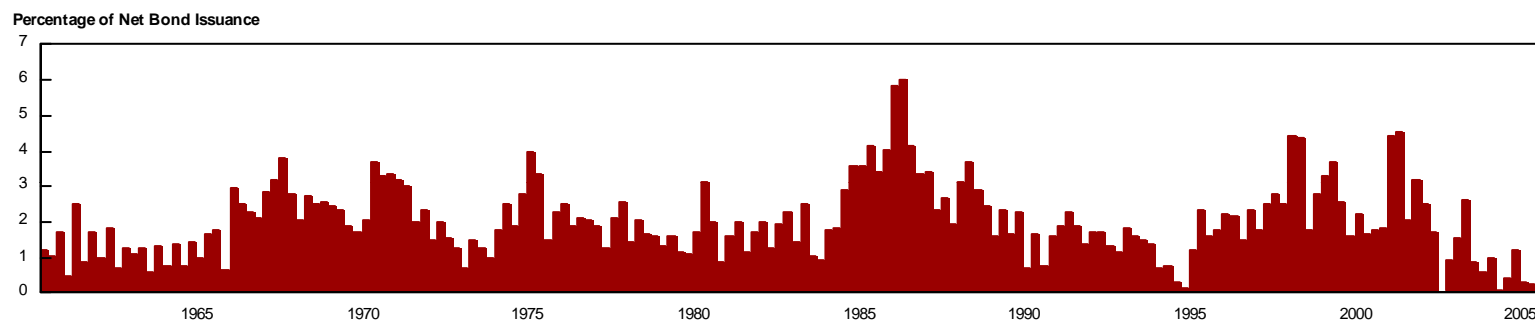


Source: Fiduciary Trust Company International, ITG and FactSet

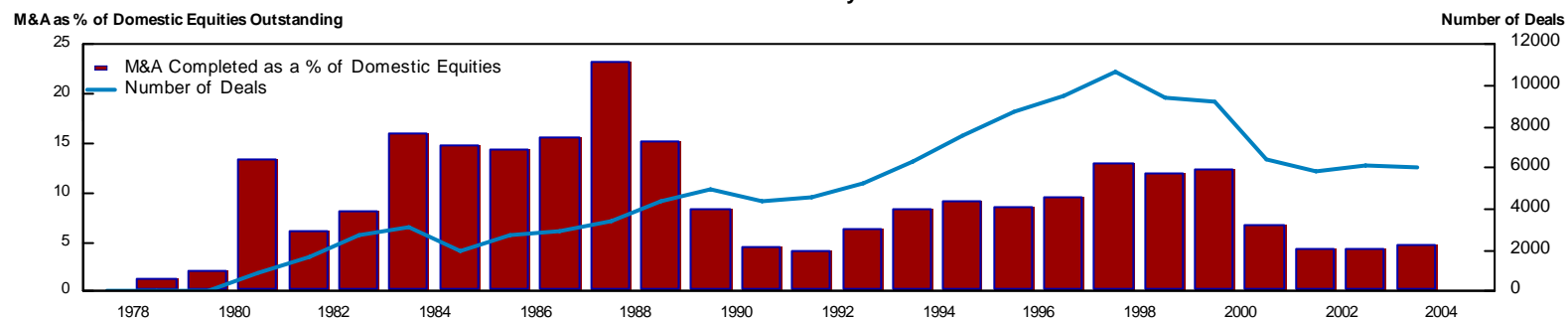
Net Equity Issuance



Net Bond Issuance

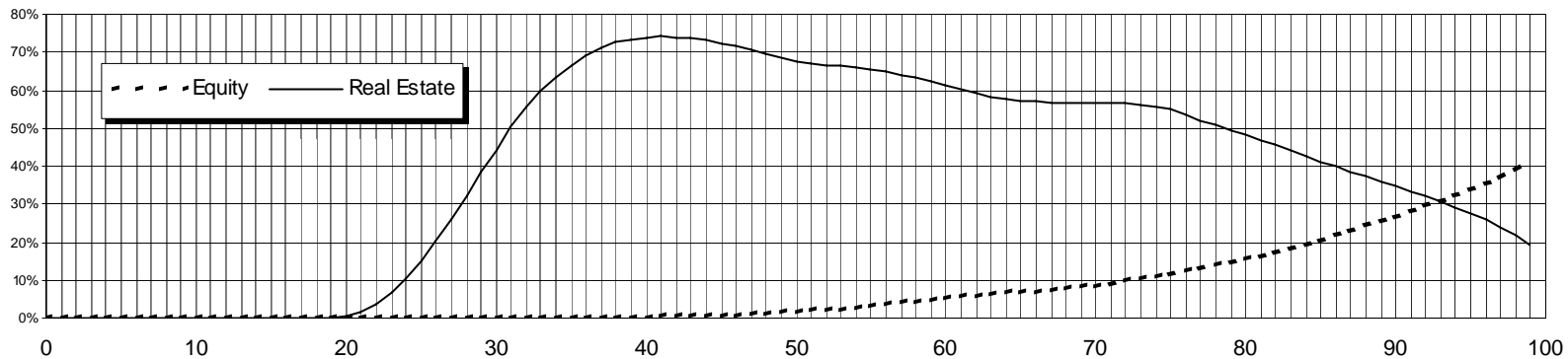


M&A Activity



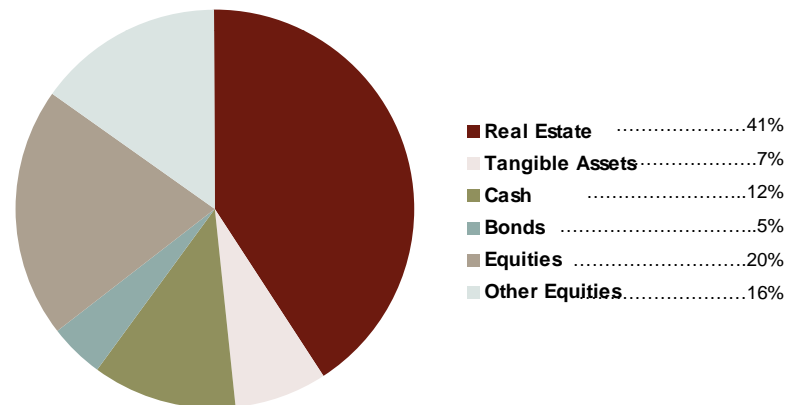
Distribution of Real Estate and Equity, U.S. Households by Wealth Percentile

Portion of Household Assets



Source: FRB of New York, Survey of Consumer Finance
Note: Data is as of 2001, next update 2006

U.S. Household Assets, 3Q05



Source: Fiduciary Trust Company International and FRB.
Note: Other Tangible Assets includes consumer durable goods and equipment & software. Other Equities includes security credit, life insurance reserves, pension fund reserves and non-corporate business equity.

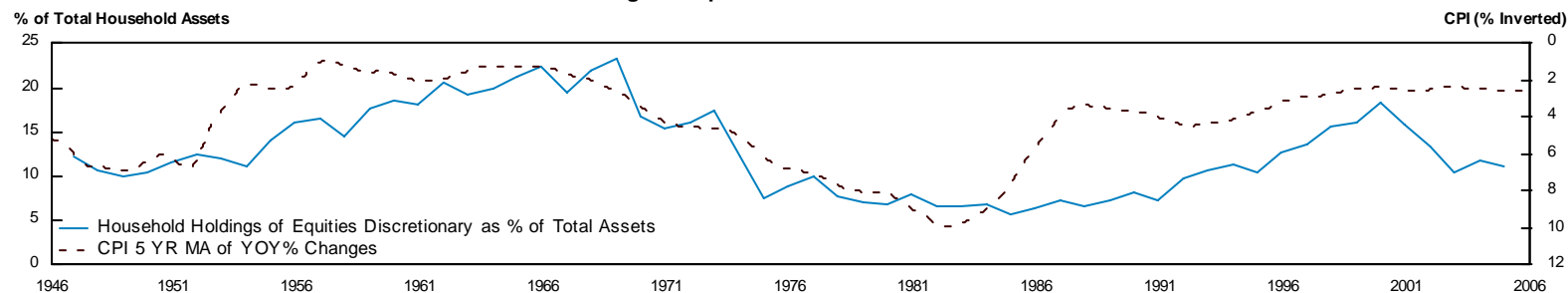
Numbers may not add-up to 100, due to rounding

U.S. Household Income Quintile Share of Consumption

Income Quintile	% of Consumption
1 st	37
2 nd	24
3 rd	17
4 th	13
5 th	9

Source: Fiduciary Trust Company International and BLS.
Note: Numbers may not add-up to 100, due to rounding

U.S. Household Holdings of Equities As Share of Total Assets and Inflation

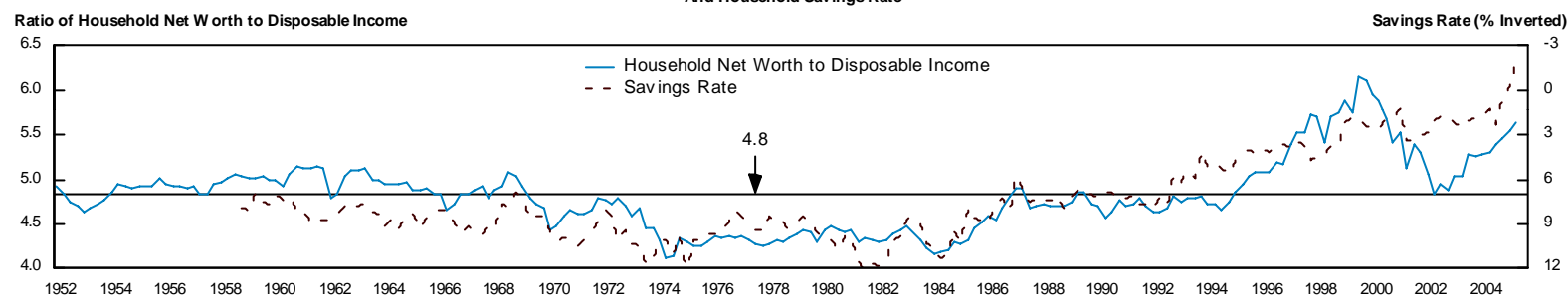


Fiduciary Trust Company International, FactSet and ITG.

Note: Equities includes directly held and mutual funds.

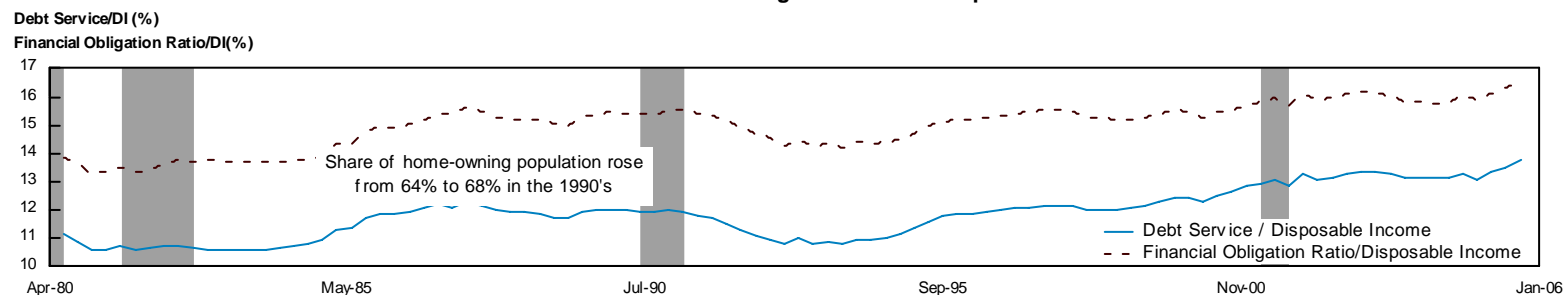
The Ratio of Household Net Worth to Disposable Income

And Household Savings Rate



Source: Fiduciary Trust Company International, ITG and FactSet

Debt Service and Financial Obligation Ratio to Disposable Income

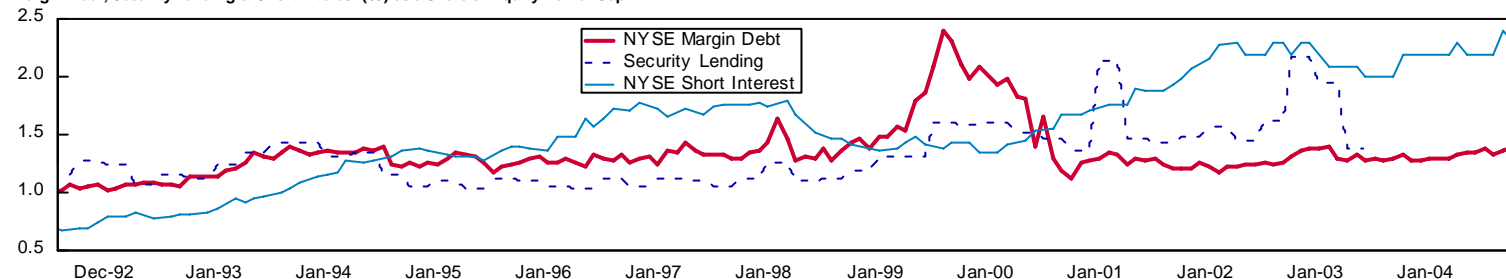


Source: Fiduciary Trust Company International, ITG and FactSet

Note: FOR includes auto lease, rental, homeowners' insurance and property tax payments

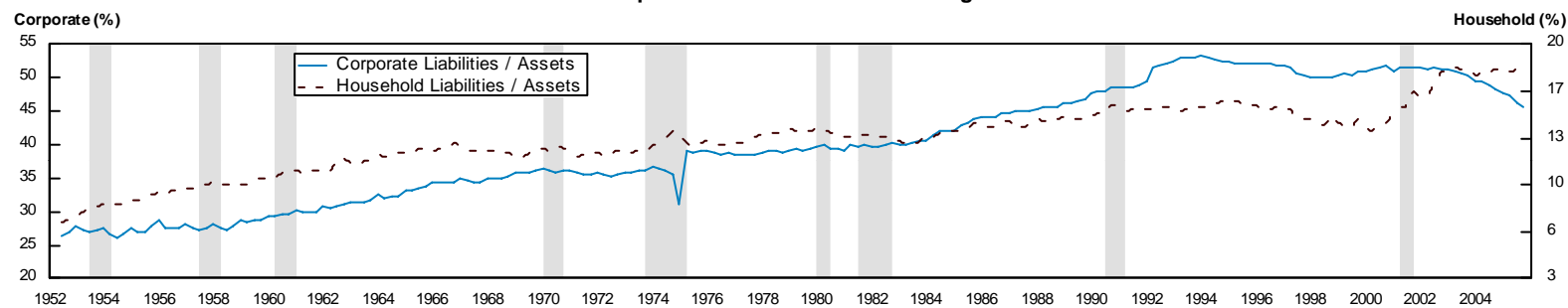
Margin Debt, Securities Lending, and Short Interest as Share of Stock Market Value

Margin Debt, Security Lending & Short Interest (%) as a Share of Equity Market Cap



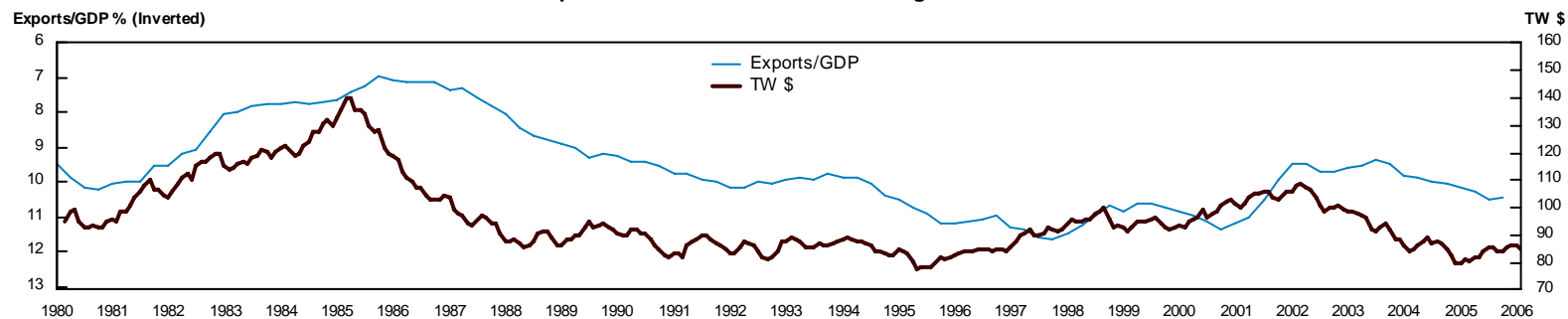
Source: Fiduciary Trust Company International, Bloomberg, ITG and FactSet

Corporate and Household Leverage



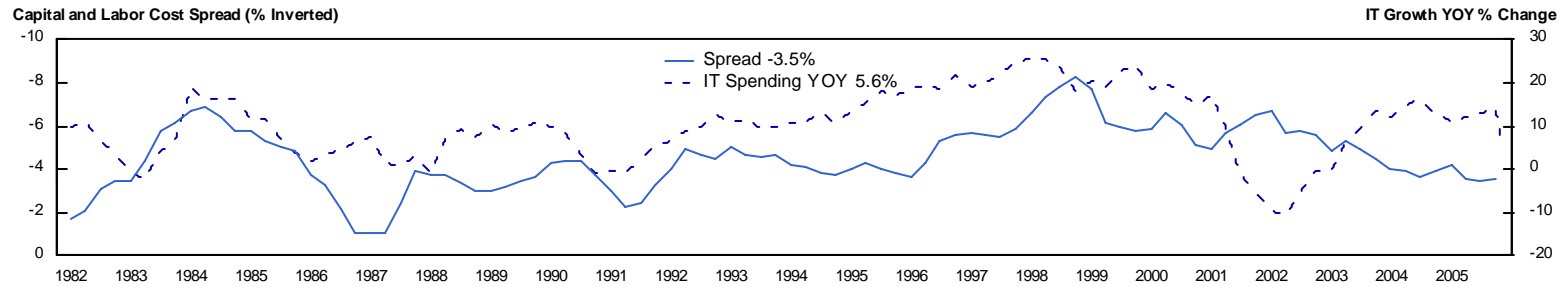
Source: Fiduciary Trust Company International, ITG and FactSet

Export Share of GDP and Trade Weighted Dollar



Source: Fiduciary Trust Company International, Bloomberg, FRB and FactSet

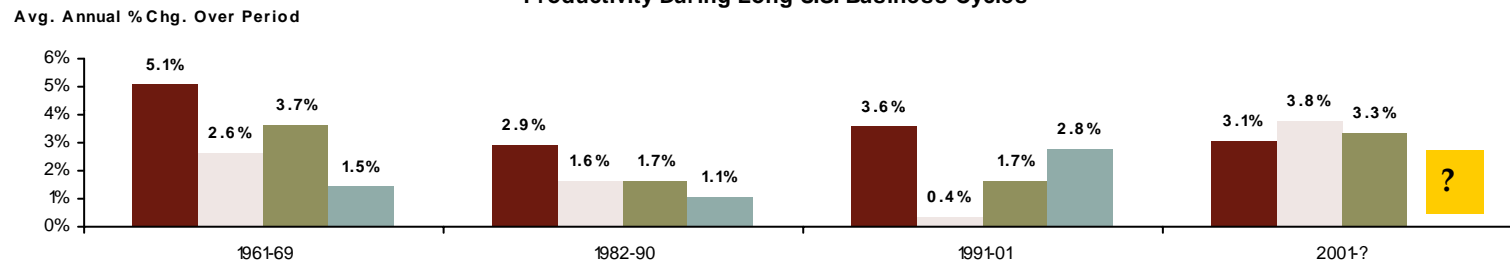
Capital Goods/Labor Cost Spread and Info Tech Spending



Source: Fiduciary Trust Company International and FactSet

Note: When 12-month Forward Spread (%) is -1 to -3, IT Growth (%) is 10; when -3 to -5, 12; when -5 or greater, 14.

Productivity During Long U.S. Business Cycles

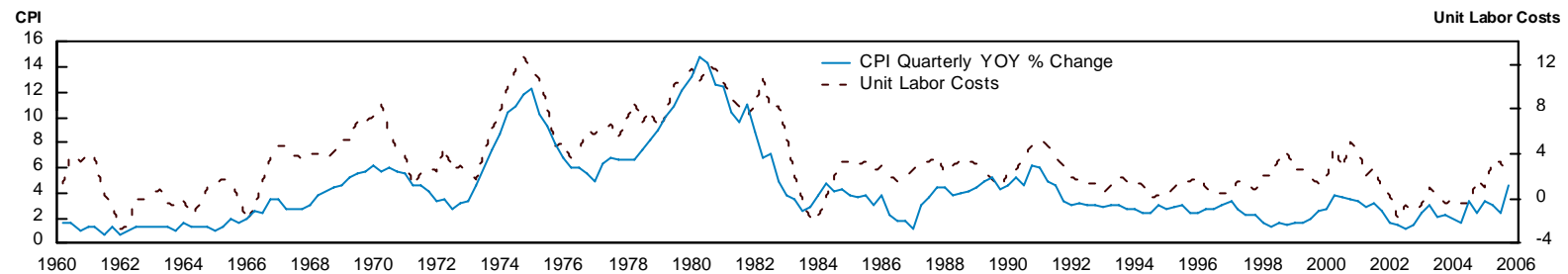


Source: FTIC and BEA.

Note: Latest period is annualized through 3Q05.

■ First 2 Years ■ Years 3 and 4 ■ Years 5 and 6 ■ Years 7 and Above

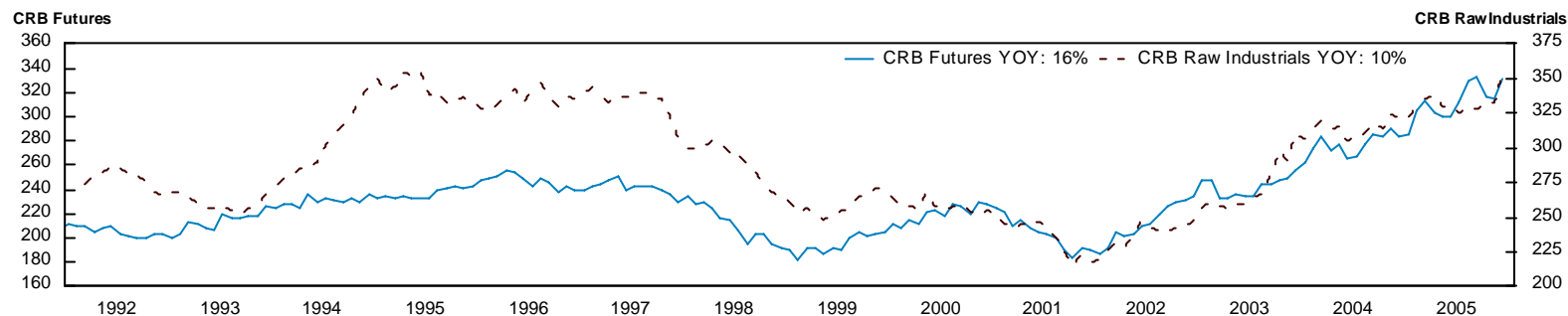
CPI and Unit Labor Costs



Source: Fiduciary Trust Company International, ITG and FactSet

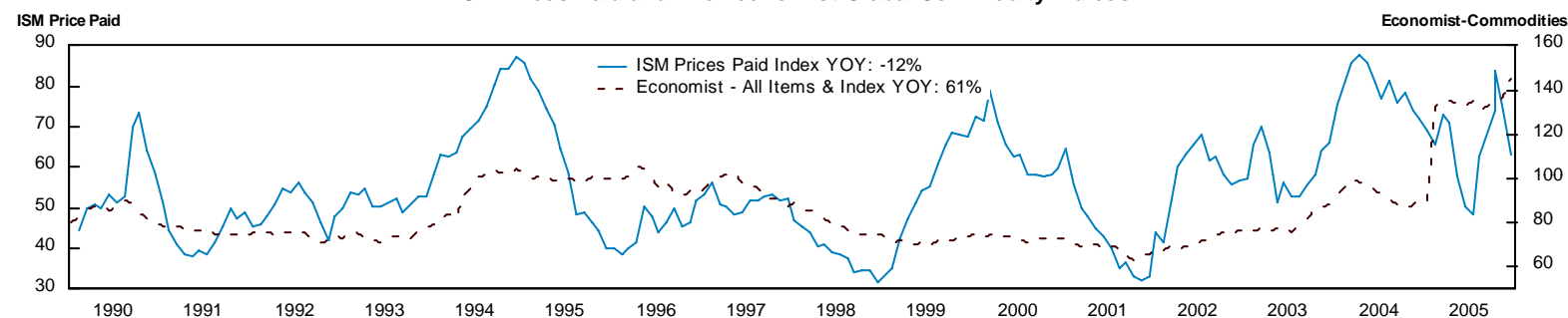
Correlation between CPI and ULC is 87%

CRB Futures and Raw Industrials



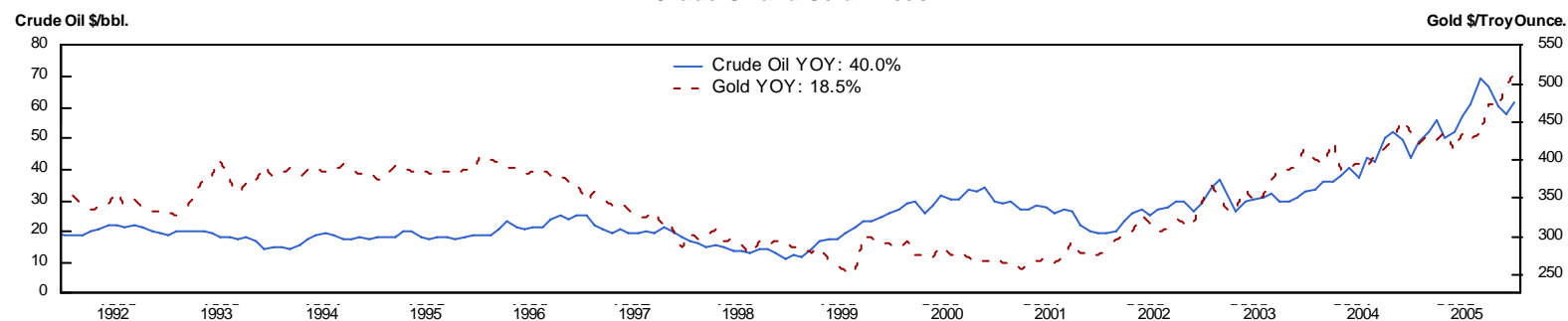
Source: Fiduciary Trust Company International, Bloomberg and FactSet

ISM Prices Paid and The Economist Global Commodity Indices



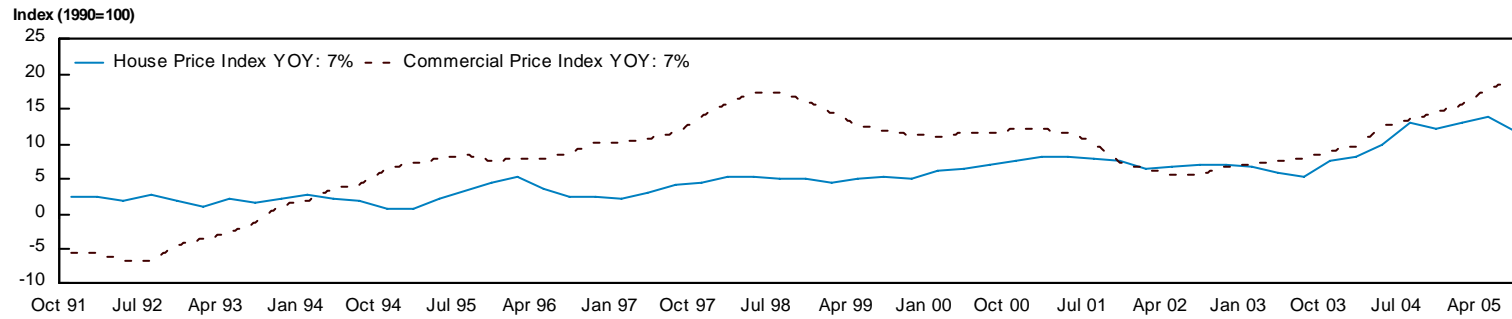
Source: Fiduciary Trust Company International, Bloomberg, The Economist and FactSet

Crude Oil and Gold Prices



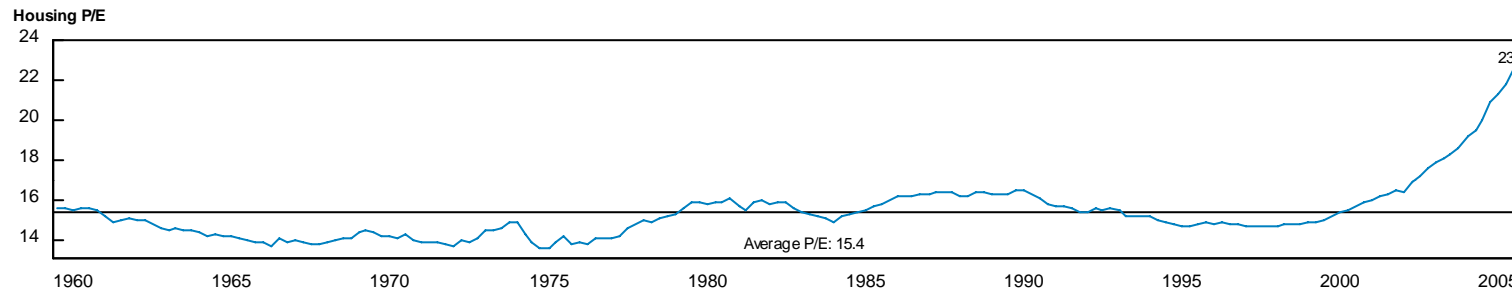
Source: Fiduciary Trust Company International, Bloomberg and FactSet

Residential and Commercial Real Estate Prices



Source: Fiduciary Trust Company International and FactSet

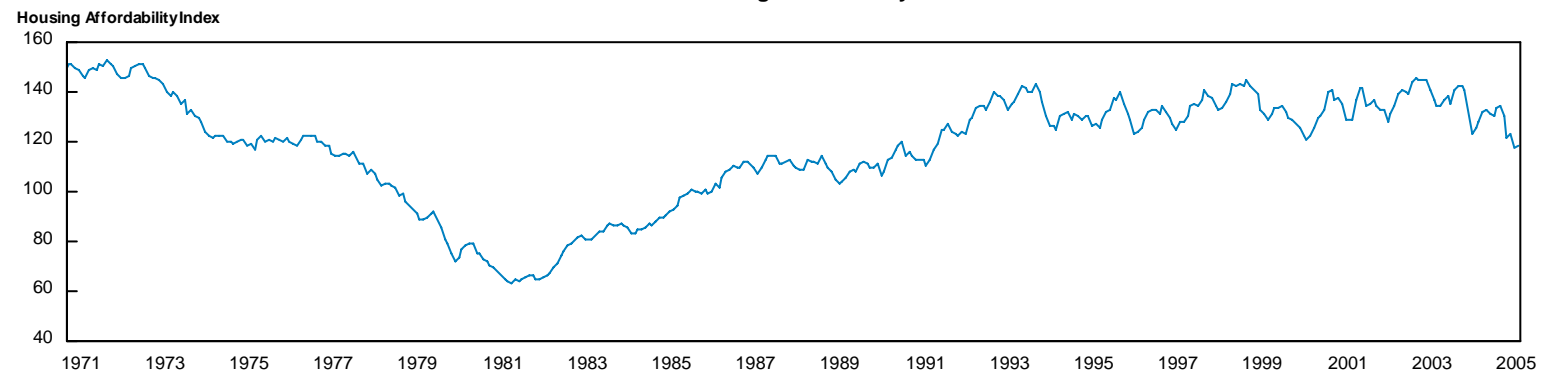
Housing P/E Multiple



Source: Fiduciary Trust Company International, ITG and FactSet

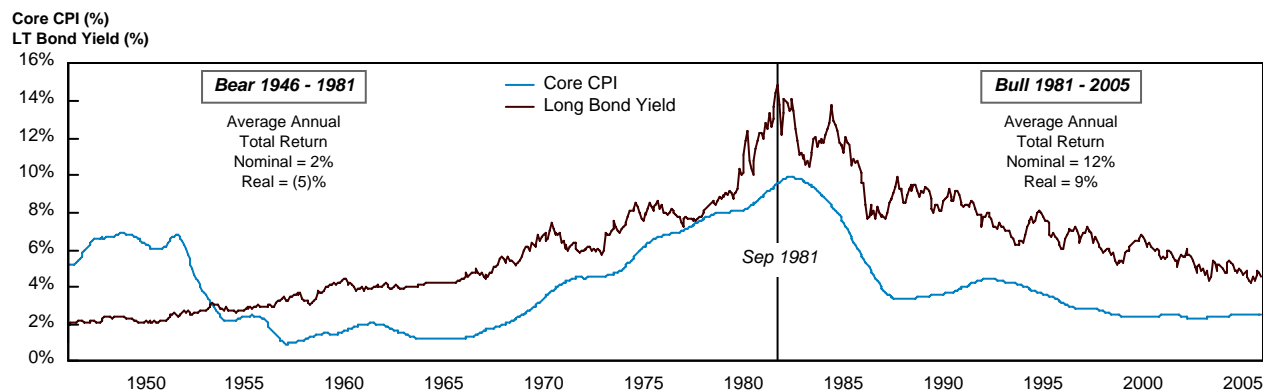
Note: Housing P/E is the average ratio of the market value of owner occupied homes (P) to the market rent the homes would earn if placed on the rental market (E).

Housing Affordability



Source: Fiduciary Trust Company International, ITG and FactSet

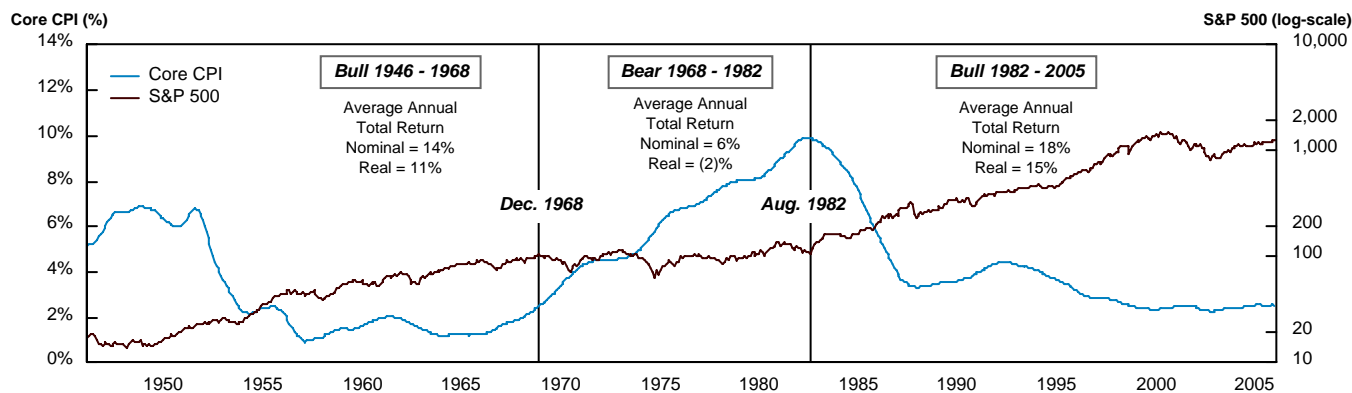
Secular Bond Bear and Bull Markets and Inflation Since 1946



Source: Fiduciary Trust Company International, Bloomberg, Ibbotson, and FactSet

Note: Core CPI 5-year MA; headline CPI prior to 1963

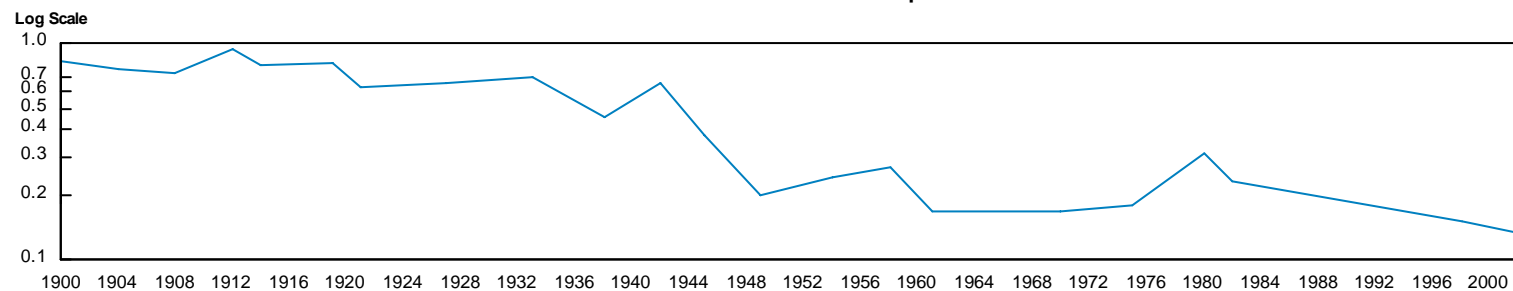
Secular Stock Bear and Bull Markets and Inflation Since 1946



Source: Fiduciary Trust Company International, Bloomberg, Ibbotson, and FactSet

Note: Core CPI is 5-year MA; headline CPI prior to 1963.

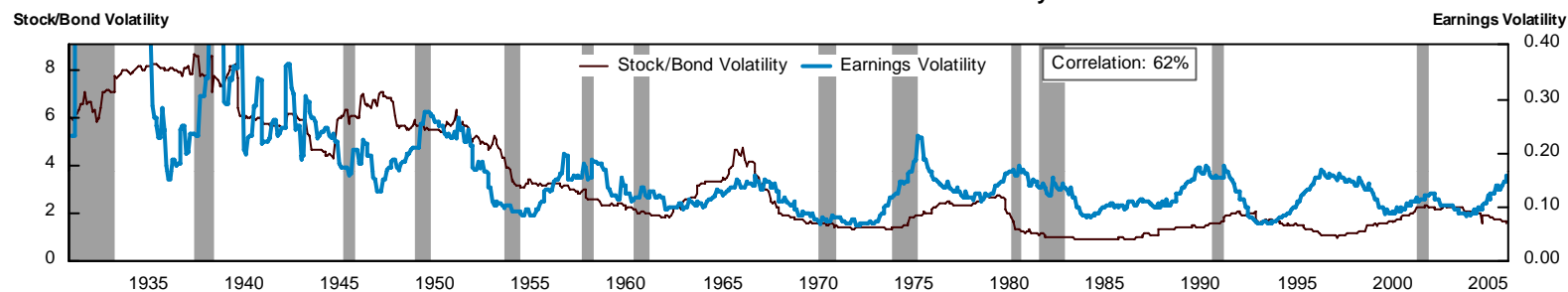
Ratio of U.S. Economic Contractions to Expansions Since 1900



Source: Fiduciary Trust Company International, NBER, and FactSet

Note: The U.S. economic cycles are 3-month MA of duration of contractions relative to expansions.

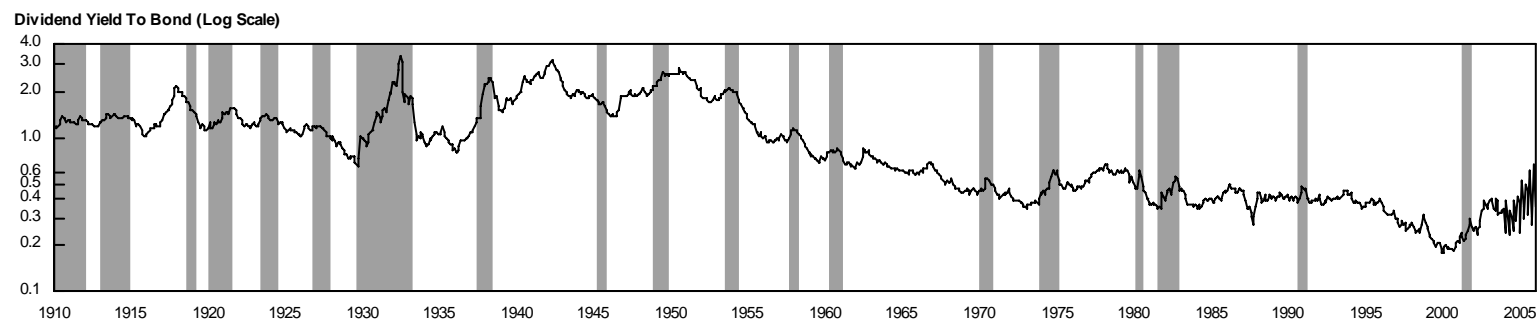
Stock to Bond Market and S&P 500 EPS Volatility



Source: Fiduciary Trust Company International, Ibbotson, S&P 500 and FactSet

Note: Stock and Bond volatility is the standard deviation of rolling 5-yr monthly returns. Earnings volatility is the standard deviation of 5-yr quarterly operating EPS.

Dividend/Bond Yield Ratio



Source: Fiduciary Trust Company International and Ibbotson.

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